

# GST



## **Various Types of Direct Taxes:**

- Income tax
- corporate tax
- Wealth tax
- Gift tax
- Estate duty
- Expenditure tax
- Fringe Benefit Tax

## **Various Types of Indirect Taxes:**

- Service tax
- Excise duty
- Value added tax
- Custom duty
- Securities Transaction Tax(STT)
- Stamp Duty
- Entertainment tax

## **GST - Goods and Services Tax in India**

### **Launch:**

### **GST Bill Passed on Date:**

The bill was passed by the **Rajah Sabha** on **3 August 2016**, and the amended bill was passed by the **Lok Sabha** on **8 August 2016**. The bill, after ratification by the States, received assent from President **Pranab Mukherjee** on **8 September 2016**, and was notified in The Gazette of India on the same date.

The GST was launched at midnight on **1 July 2017** by the President of India, **Pranab Mukherjee**, and the Prime Minister of India **Narendra Modi**.

### **101 Amendment of GST:**

Addition of articles 246A, 269A, 279A. Deletion of Article 268A .Amendment of articles 248, 249, 250, 268, 269, 270, 271, 286, 366, 368, 6 Schedule, 7 Schedule.

### **What is GST?**

GST (Goods and Services Tax) is the indirect tax reform of India. GST is a single tax on the supply of goods and services. It is a destination based tax. GST has subsumed taxes like Central Excise Law, Service Tax Law, VAT, Entry Tax, Ontario, etc. GST is one of the biggest indirect tax in the country. GST is expected to bring together state economies and improve overall economic growth of the nation.

GST is a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. It will replace all indirect taxes levied on goods and services by states and Central. Businesses are required to obtain a GST Identification Number in every state they are registered.

There are around 160 countries in the world that have GST in place. GST is a destination based taxed where the tax is collected by the State where goods are consumed. GST has been implemented in India from July 1, 2017 and it has adopted the Dual GST model in which both States and Central levies tax on Goods or Services or both.

- **SGST** – State GST, collected by the State Govt.
- **CGST** – Central GST, collected by the Central Govt.
- **IGST** – Integrated GST, collected by the Central Govt.
- **UTGST** – Union territory GST, collected by union territory government

### **Impact of GST on Indian Economy:**

**GST offers several benefits to our economy. Here are some key advantages:**

- Create unified common national market for India, giving a boost to Foreign investment and “Make in India” campaign
- Boost export and manufacturing activity and leading to substantive economic growth
- Help in poverty eradication by generating more employment
- Uniform SGST and IGST rates to reduce the incentive for tax evasion

### **Impact of GST on Consumers:**

**GST is also beneficial for consumers. Here is how it impacts the Indian consumers:**

- Simpler Tax system
- Reduction in prices of goods & services due to elimination of cascading
- Uniform prices throughout the country
- Transparency in taxation system
- Increase in employment opportunities

### **Impact of GST on Traders:**

**GST is also has some positive impact on traders. Let’s see how it affects the traders:**

- Reduction in multiplicity of taxes
- Mitigation of cascading/ double taxation through input tax credit
- More efficient neutralization of taxes especially for exports
- Development of common national market
- Simpler tax regime and Fewer rates and exemptions

### **0% Tax Rate Products:**

- |          |                            |
|----------|----------------------------|
| 1. Milk  | 5. Unpacked Food grains    |
| 2. Eggs  | 6. Unpacked Pannier        |
| 3. Curd  | 7. Guar                    |
| 4. Lassi | 8. Unbranded Natural Honey |

9. Fresh Vegetables
10. Salt
11. Kajal
12. Educational Services
13. Health Services
14. Children's Drawing & Colouring Books

15. Unbranded Atta
16. Unbranded Maida
17. Besan
18. Prasad Palmyra Jaggery
19. Phool Bhari Jhadoo
20. Palmyra Jaggery

**5% Tax Rate Products:**

1. Sugar
2. Tea
3. Packed Pannier
4. Coal
5. Edible Oils
6. Spices
7. Life-saving drugs
8. Raisin
9. Roasted Coffee Beans
10. Skimmed Milk Powder
11. Footwear (< Rs.500)
12. Domestic LPG
13. PDS Kerosene
14. Cashew Nuts
15. Milk Food for Babies
16. Fabric
17. Apparels (< Rs.1000)
18. Coir Mats, Matting & Floor Covering
19. Agarbatti
20. Mishti/Mithai (Indian Sweets)
21. Coffee (except instant)

**12% Tax Rate Product:**

1. Butter
2. Ghee
3. Almonds
4. Computers
5. Processed food
6. Mobile
7. Fruit Juice
8. Packed Coconut Water
9. Umbrella
10. Preparations of Vegetables, Fruits, Nuts or other parts of Plants including Pickle Murabba, Chutney, Jam, Jelly

**18% Tax Rate Products:**

1. Hair oil
2. Toothpaste
3. Soap
4. Pasta
5. Capital goods
6. Industrial Intermediaries
7. Ice-cream
8. Corn Flakes
9. Soups
10. Toiletries
11. Computers
12. Printers

**28% Tax Rate Products:**

1. Small cars (+1% or 3% cess)
2. High-end motorcycles (+15% cess)
3. Consumer durables such as AC and fridge
4. Beedis are NOT included here
5. Luxury & sin items like BMWs, cigarettes and aerated drinks (+15% cess)