

Press Information Bureau

Government of India

Ministry of Finance

31-July-2015 16:31 IST

Sharing of GST Revenue with States

The State Governments have not objected to the proposed formula of the Union Government for sharing of revenue with States that would be earned as Goods and Service Tax (GST). Under the proposed GST regime, both Centre and States will simultaneously levy GST across the value chain. Tax will be levied on every supply of goods and services for consideration. Centre would levy and collect Central Goods and Services Tax (CGST) and States would levy and collect the State Goods and Service Tax (SGST) on all transactions within a State. The Centre would levy and collect the Integrated Goods and Services Tax (IGST) on all inter-State supply of goods and services. The proceeds of IGST will be apportioned between the States and the Centre, under the proposed Article 269A, as provided by Parliament by law on the recommendations of the GST Council. Further, the CGST collected by the Central Government as well as the Union's share of IGST collected will be devolved to the States as per the provisions of Article 270.

This was stated by Shri Jayant Sinha, Minister of State in the Ministry of Finance in written reply to a question in Rajya Sabha today.

MAM/KA