

## **GST council likely to finalise draft model, clause for lower tax benefits today**

*Finance Minister Arun Jaitley will chair the tenth meet which will be attended by Finance Ministers belonging to various states and Union territories.*

The GST Council, on Saturday, is likely to finalise the draft model GST law including final drafting of the anti-profiteering clause to ensure benefit of lower taxes gets shared with consumers.

Finance Minister Arun Jaitley will chair the tenth meet, which is taking place in Udaipur, Rajasthan. The meeting will be attended by Finance Ministers belonging to various states and Union territories.

The Council, is also likely to finalise the definition of 'agriculture' and 'agriculturist' as well as constitution of a 'National Goods and Services Tax Appellate Tribunal' to adjudicate disputes.

The Law Ministry has sent the approved language and draft of the model GST Law, which outlines how the new national sales tax will be levied on goods and services. Its approved draft and language was discussed on Friday by the council's sub-committee comprising central and state officials. The vetted draft will be put up before the Council in today's meeting.

The government intends to introduce the model GST law in Parliament in the second half of the current Budget Session beginning next month, officials said. However, before that, it will have to get two laws - the Central GST (CGST) Act and Integrated GST (IGST) Act -- approved by Parliament and each of the state legislatures have to pass the State GST (SGST) Act.

The model GST law provides a common draft of CGST Act, SGST Act. Besides, there is an IGST law and Compensation law.

Officials said that the government is keen to pass the benefit of lower taxes to consumers and so an anti-profiteering measure has been incorporated in the draft law.

It provides for constituting an authority to examine whether input tax credits availed by any registered taxable person, or the reduction in the price on account of any reduction in the tax rate, have actually resulted in a commensurate reduction in the price of the said goods and/or services supplied by him.

For example, a good or service is to be levied with a GST of 5%. But in course of supply, a 20% tax is paid, whose input credit is taken. So, the final consumer will be levied only 5% tax and not 25%, as the input credit of 20% is already taken, an official explained.

"This has to be declared at the time of filing returns by the taxpayer," the official said.

The taxable event under GST is supply of goods and services. The place of supply of goods is the place where the goods are delivered, except in few cases.

*(PTI)*