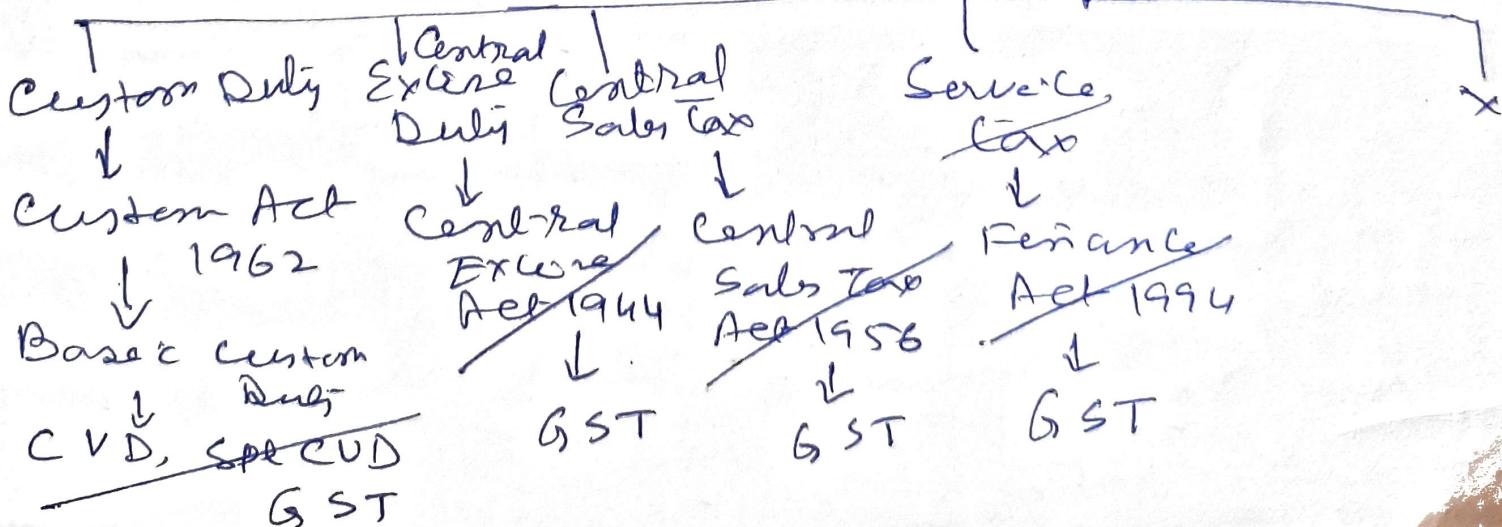
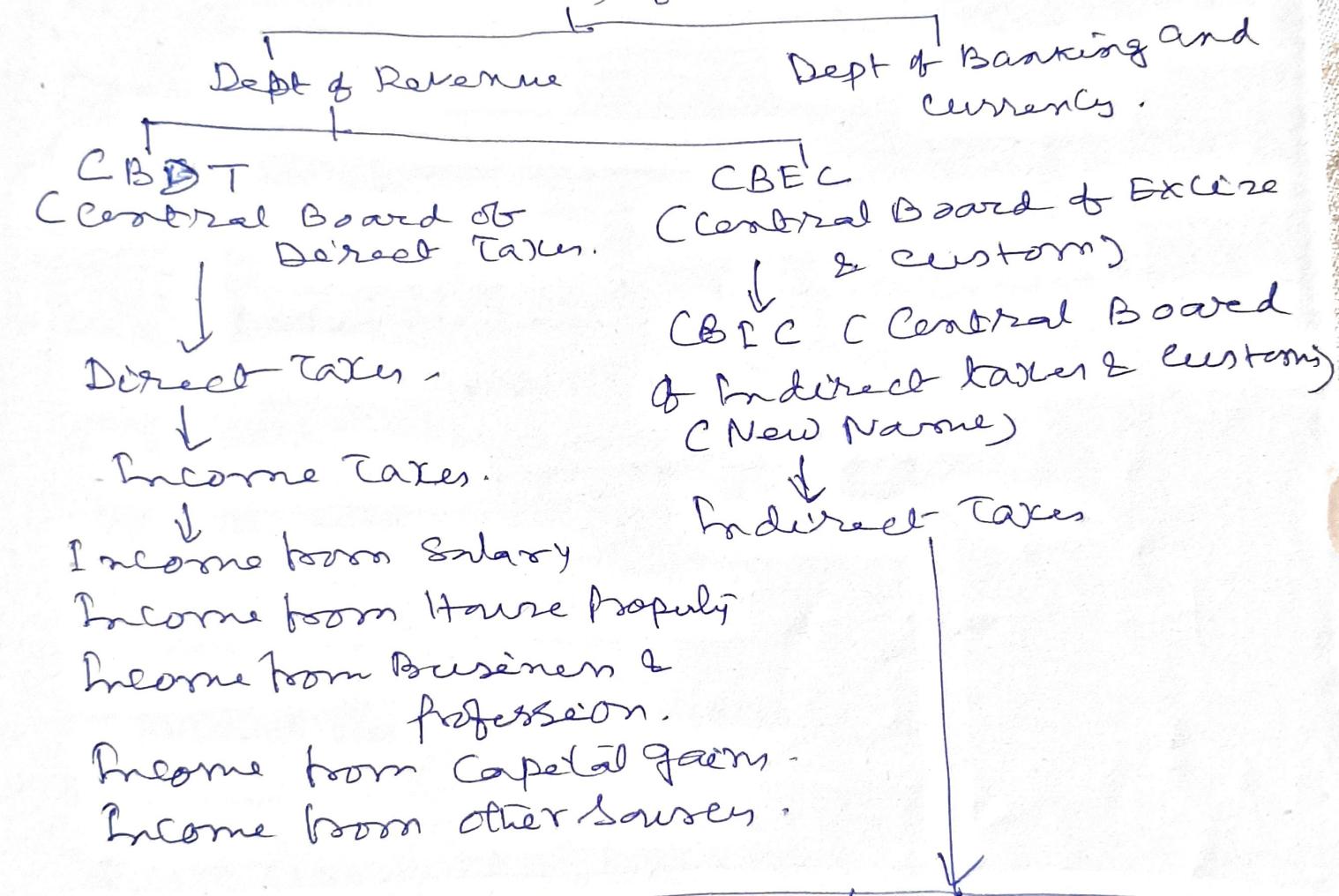


M. Com. Sem-II
 Sub-taxation.
 Topic: GST
L-1 + D.B

Please note that GST is not a new tax.
 This is the new name of some old taxes.
 See here the tax structure.

Ministry of Finance



Now, you see the indirect taxes are converted into GST except Basic Custom duty. That is - right now partially custom duty is still existing, central excise duty is abolished and converted into GST, Central sales tax and service tax also have been abolished and converted into GST.

Apart from these state taxes like sales tax/Vat, entertainment tax, luxury tax, taxes on lottery have also been converted into GST.

The GST is effective from 1st July 2017. GST is concerned with supply of goods instead of manufacture, sale or supply of service.

Have the examples.

State Vat → Sale of goods → Now it → GST within the state
is supply will be levied under GST.

Central Excise Duty → Manufacture of goods → Now, it → GST is supply will be levied under GST.

Central Sales Tax → Sale between two states → Now it is → GST supply will be levied under GST.

Service tax → provision of service → Now, supply of service → GST to charges.

Taxable event in GST → previously under Sales tax/VAT taxable event was Sale of goods, Sale was the trigger and one is to pay tax. Here, in GST, Supply is the trigger, once there is supply either goods or service - GST is to be paid.

National GST & Dual GST :

National GST is a single GST where all powers would be vested with the Centre and States would be dependent on the Centre for their source of ~~Revenue~~ revenue.

Dual GST: There will be concurrent powers of states and centre to levy tax on supply of goods and services from the starting point of supply chain to end point on a pre-determined rate of formula i.e. 50-50 or 60-40.

In India there is Dual GST.

Now, GST will be of two types:

GST: when there is intra-state transaction → this GST is to be shared at a certain rate between Centre and State. Centre's share is CGST and State's share is SGST.

When there is ~~a~~ inter-state transaction there will be only CGST. That is Whole amount will be credited to Centre. Later on the Centre can send some part of this CGST to the states on recommendation of the GST Council of India.

Now, have the example:

(1) Mr X of West Bengal sells 10,000 units of an article at the rate of Rs. 210 per article to Hr Y of West Bengal. GST rate is 12%. How GST will be calculated?

Ans: Here it is intra-state supply. Rs. Taxable value of supply $R.s. 210 \times 10,000 = 21,00,000$

Amt: GST:-

$$CGST - 6\% \times 21,00,000 = 126000$$

$$SGST - 6\% \times 21,00,000 = 126000$$

Total amt charged by X $\rightarrow \underline{\underline{2352000}}$

Now, X will deposit R. 126000 to Central Govt. Ac.

and X will deposit R. 126000 to the State Govt. Ac.

C foreseen this is first transaction of X and he has not paid earlier any GST, i.e., here is no input-credit of X).

Example:

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(2) Mr X from Calcutta sells goods to May & Sons, Bombay for R. 21,00,000. GST rate is 12%. How to show GST?

A:- Total Value of supply $\text{R. } 21,00,000$
Add: GST :-

$$\text{IGST } 12\% \cdot (12\% \times 21,00,000) \quad 2,52,000$$

Total amt charged by X $\rightarrow \underline{\underline{23,52,000}}$

Here it is inter-state supply, so in GST, CGST will be charged. Whole amt to Rs. 2,52,000 as IGST will be deposited by Mr X to the Central Govt. (Provided this is first transaction and there is no GST paid by X previously, i.e. there is no input-tax credit).

Meenu-
CB.