

# Goods and Services Tax

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# What is GST?

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- **One Nation One Tax**
- 101<sup>st</sup> constitutional Amendment Act
- Single Tax for entire product cycle or life cycle.
- **Value addition**
- GST Council to decide upon any matter related to GST whose chairman is the finance minister of India.
- July 01, 2017: GST applied across India

# Constitutional Amendment

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- 246 A. (1) Legislature of every State, have power to make laws with respect to goods and services tax imposed by the Union or by such State. (2) Parliament has exclusive power for inter-state trade laws.
- 269A. (1) Goods and services tax on supplies in the course of inter-State trade or commerce shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States in the manner as may be provided by Parliament by law on the recommendations of the Goods and Services Tax Council.
- Article 279A. (1) The President shall, within sixty days from the date of commencement of the Constitution (One Hundred and First Amendment) Act, 2016, by order, constitute a Council to be called the Goods and Services Tax Council.

# Value Added Tax

## Sales Tax

- **Producer:**  $100+100$   
 $200 + 10\%(200)=220(20)$
- **Manufacturer:**  
 $220+50(VA)=270$   
 $270+10\%(270)=297 (27)$
- **Consumer:**  
Purchase @ 297  
47 Rupees Tax  
Total Tax:  $20 + 27=47$

## Value Added Tax

- **Producer:**  $100+100$   
 $200+10\%(200)=220(20)$
- **Manufacturer:**  
Rs 20 = I.P.C.  
 $200+50(VA)=250$   
 $250+10\%(250)=275$   
 $(25)-(20)=(5)$
- **Consumer:**  
Purchase @275  
Total Tax =  $20+5= 25$

# VAT (10%)

	<b>Farmer</b>	<b>Textile Maker</b>	<b>Cloth Maker</b>	<b>Retailer</b>
	<b>Sells at 100</b>	<b>Sells at 500</b>	<b>Sells at 1200</b>	<b>Sells at 2000</b>
Sales Price with VAT	110	550	1320	2200
Vat Collected	10	50	120	200
Input Credit	0	10	50	120
Net VAT Collected	10	40	70	80

**Total VAT collected = 10+40+70+80 = 200**

# What taxes are incorporated into the GST?

State Level	Central level
<ul style="list-style-type: none"><li>● State Value Added /Sales Tax</li><li>● Entertainment Tax (Other than the tax levied by the local bodies)</li><li>● Octroi and Entry Tax</li><li>● Luxury Tax</li><li>● Taxes on lottery</li></ul>	<ul style="list-style-type: none"><li>● Central Excise Duty</li><li>● Additional Excise Duty</li><li>● Service Tax</li><li>● Additional Customs Duty (Countervailing Duty)</li></ul>

# \*Commodities not under GST\*

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- **Alcohol**
- **Petroleum:** petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel
- **Electricity**

# GST COUNCIL

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- 1st Federal Institution of India, as per finance minister.
- Will approve all decision related to taxation in the country.
- Central GST, Compensation law, Integrated GST, Union Territory GST, and a state GST
- Tax slabs are decided as 0%, 5%, 12%, 18%, 28% for different types of goods.



# Thank You

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## Operation Tayyari JEET KI

### Theme

Don't stop studying until you are sleepy enough to make your study table a pillow;

Your study break should be during the power cut...

For queries please mail my toll free mail [syedazadhb@gmail.com](mailto:syedazadhb@gmail.com)

Incoming on my number 7051565629 is absolutely free