

Bill Summary

The Integrated Goods and Services Tax (Amendment) Bill, 2018

- The Integrated Goods and Services Tax (Amendment) Bill, 2018 was introduced in Lok Sabha by the Minister of Finance, Mr. Piyush Goyal on August 7, 2018. It amends the Integrated Goods and Services Tax Act, 2017. The Act provides for the levy of the Integrated Goods and Services Tax (IGST) by the centre on: (i) inter-state supply of goods and services, (ii) imports and exports, and (iii) supplies to and from special economic zones.
- **Reverse charge mechanism:** Under the Act, when an unregistered person supplies goods or services to a registered person, the registered person is liable to pay the IGST on such supply. The Bill amends this provision to allow the central government, on the recommendation of the GST Council, to specify a class of registered persons to pay tax on receiving specified categories of goods and services from an unregistered person.
- **Place of supply:** The Act provides for the determination of the place of supply of goods and services. In cases where services are supplied through transportation of goods, including by mail and courier, to a registered person, the place of supply is the location of such person. In other cases, where the services are supplied to an unregistered person, the place of supply is where the goods are handed over for their transportation.
- The Bill clarifies that in the above cases, if the goods are being transported to a place outside India, the place of supply will be the destination of the goods.
- **Apportionment of IGST revenue:** Under the Act, the IGST revenue collected by the centre is apportioned between the centre and the state where the supply of goods or services was received. The Bill provides for the settlement of any balance amount in the integrated tax account after the apportionment to the centre and state. On the recommendation of the GST Council, this amount will be distributed equally between the centre and the state.
- **Appeals:** The Bill inserts a provision specifying the amount of pre-deposit payable for filing appeals. In cases where the appeal is to be filed before the Appellate Authority, the maximum amount payable will be Rs 50 crore. Further, in cases where the appeal is to be filed before the Appellate Tribunal, the maximum amount payable will be Rs 100 crore.

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