

(i) Dualistic -

The GST is divided into two equal parts -

(a) CGST -

To be imposed by the centre

(b) SGST / UTGST -

To be imposed by the States/UTs

(ii) Destination - based →



The collection of SGST at consumer level is done by the destination state in case of inter-state trade.

(iii) Consumption-based



Final collection of  
GST depends critically  
on the level of consumption.



Why! because suppliers claim  
ITC & get their taxes  
back.

# Important Rates : (4)



(i) 5% } Basic Goods

(ii) 12% } Standard

(iii) 18% } Rates

(iv) 28% } Sin-goods Demerit  
Goods & Luxury Goods

Apart from the above, more

## Some other Important Points -

(i) Wine has been kept out of GST framework through a constitutional provision.

Wine is ↓ GST-exempt item.

This does ↓ not imply that it is a tax-exempt item.

The state ↓ excise duty is imposed on it.

no + ITC

(ii) It was said that the GST Council would decide in future about the inclusion of following petroleum items into GST framework -

GST exempt	(i)	Crude petroleum
↓	(ii)	Motor Spirit
Presently	(iii)	High Speed Diesel
	(iv)	Aviation Turbine Fuel
	(v)	Natural Gas

(iii) The proposals regarding amending of GST framework require at least  $\left(\frac{3}{4}\right)$  of the total voting rights for passage.

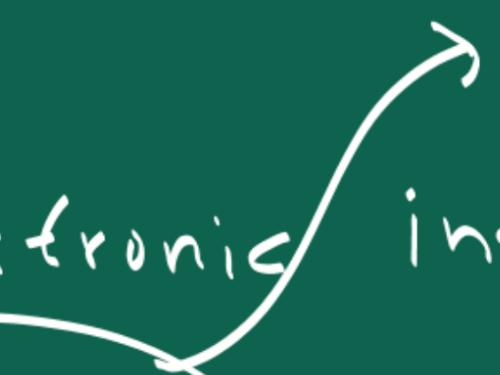
The distribution of voting rights is as follows -

(a) Centre -  $\frac{1}{3}$

(b) States -  $\frac{2}{3}$

(iv) For electronic infrastructure the GSTN was established as the NPC.

GST Network



Non Profit Company

GSTN  $\neq$  GSTIN

# The Issue of Black Money / Tax Evasion

## Intro

The black money is any income/asset on which due taxes have not been paid.

The act of not paying due taxes on taxable income/asset is called tax-evasion.

The black money may even associate with <sup>the</sup> income earned from legal activities, if due taxes have not been paid on such taxable income/asset.

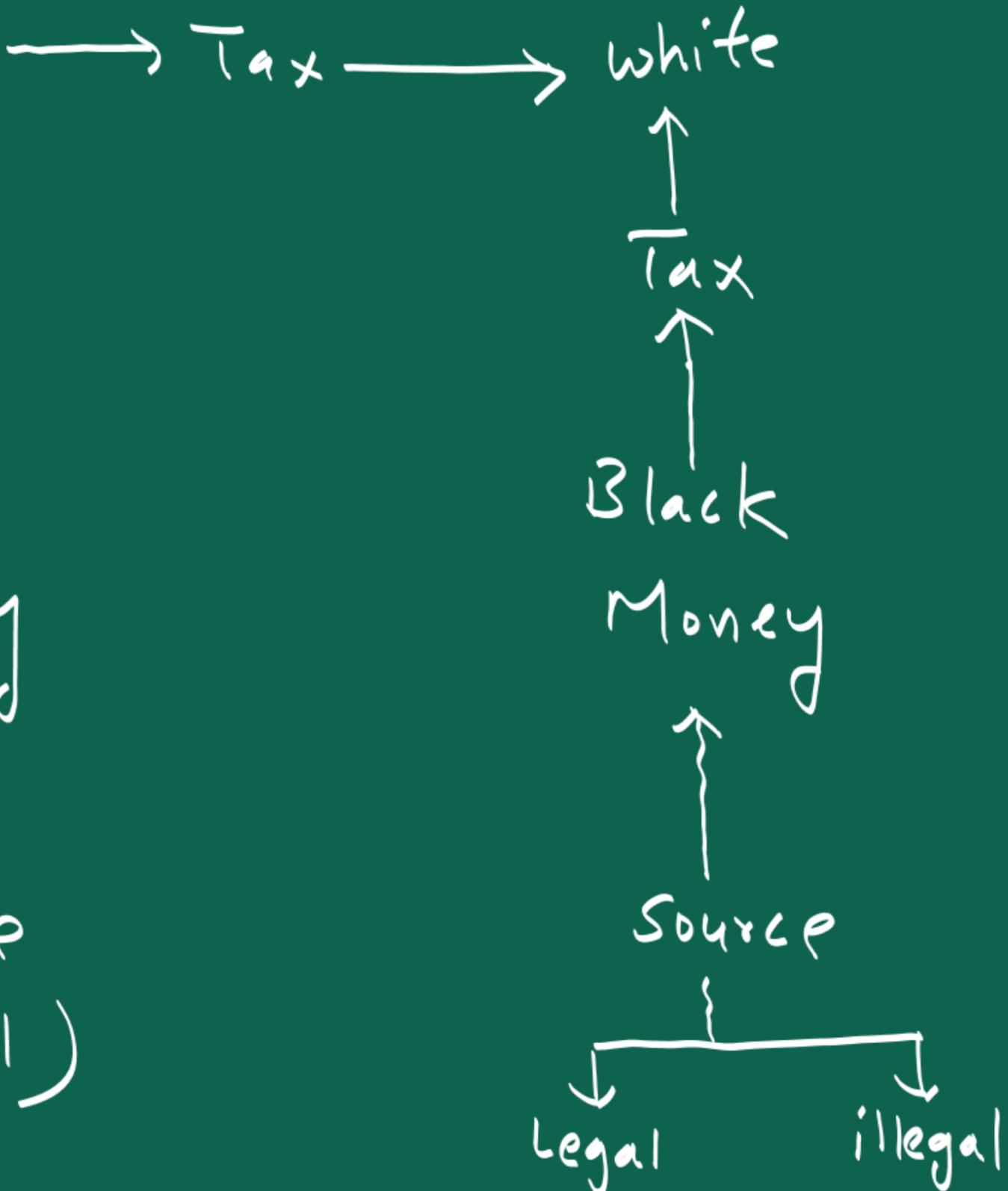
The issue of black money creates biggest problem of revenue-loss for the govt. (UPSC PT)

Apart from the above, the black money creates the problem of

Shadow economy / Ghost economy  
which according <sup>to</sup> the World Bank  
remains out of govt. regulation,  
observation & taxation.

Some Govt. Steps (recent) —

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Price - ₹ 30,000

GST  
①  
10% - ₹ 3000  

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₹ 33,000

than 50% of goods  
into the Consumer Price Index  
have been kept under

Price ₹ 140

GST  
① 0% - 0

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₹ 140

