

Topic: GST Council

Class: B.Com (Hons) Semester VI

Subject: Goods and Services Tax (GST)

Unit: 1 Paper: CC-13

GST Council

As per Article 279A of the Constitution of India, the President of India is empowered to constitute Goods and Services Tax Council. The President of India constituted the GST Council on 15th September, 2016. The headquarters of GST Council is in Delhi. The GST Council consist of Union Finance Minister as a Chairperson, Union Minister of State in charge of Finance as a member, the State Finance Minister or State Revenue Minister or any other Minister nominated by each State as a member of the Council. The GST Council selects one of them as Vice Chairperson of Council.

Guiding principle of the GST Council

The mechanism of GST Council would ensure harmonization on different aspects of GST between the Centre and the States as well as among States. It has been provided in the Constitution (101st Amendment) Act, 2016 that the GST Council, in its discharge of various functions, shall be guided by the need for a harmonized structure of GST and for the development of a harmonized national market for goods and services.

Recommendations of GST Council

GST Council is to make recommendations to the Central Government and the State Governments on

- Tax rates,
- Exemptions,
- Threshold limits,
- Dispute resolution,
- GST legislations including rules and notifications etc.

GST Council is the apex body for making recommendations on various issues relating to policy making, formulation of principles, implementation of policies under Goods and Services Tax regime. Till date, numerous conclusive meetings of GST Council have been undertaken. Decisions have been taken regarding rates, Composition Scheme, exemption schemes to North-Eastern and hilly areas, compensation method for loss of revenue to states etc. Rules regarding return, refund, registration, payment, invoicing and the like have been finalized by the same. However, various other issues and modalities regarding the GST are constantly being discussed at the GST Council Meetings for smoothening the law and making it easy to implement for society at large.

Quorum of GST Council

“Quorum” means the minimum number of members required to be present personal in the meeting. One half of the total number of members of the GST council shall be the quorum for meeting.

Decision in GST Council

Every decision of the GST Council is taken by a majority of not less than three-fourths of the weighted votes of members present and voting. Vote of the centre has a weightage of $\frac{1}{3}^{\text{rd}}$ of total votes cast and voted of all the State Governments taken together has a weightage of $\frac{2}{3}^{\text{rd}}$ of the total votes casting that meeting.

Prepared by: Dr. Md. Moazzam Nazri

Assistant Professor, Faculty of Commerce

Karim City College, Jamshedpur

Email:moazzam.nazri@gmail.com