

Concept of Indirect Taxes at a Glance

Lesson 14

KEY CONCEPTS

- Direct Tax
- Indirect Tax
- Tax Structure
- GST

Learning Objectives

To understand:

- Overview of Indirect Taxation
- Pre & Post GST Tax Structure
- Administration under Indirect Taxation Regime

Lesson Outline

- Background
- Indirect Taxes in India – An Overview
- Pre GST Tax Structure
- Post GST Tax Structure
- Lesson Round-Up
- Glossary
- Test Yourself
- List of Further Readings
- Other References

BACKGROUND

Taxation is one of the essential and decisive elements in the working of machinery of a Nation. The revenue that is collected in the form of taxes is used for providing goods and services for public utility such as infrastructure, transportation, facilities like rain shelters and common areas, sanitation and all other such amenities which are provided by the government of the country.

A tax can be said to be a non-penal, yet compulsory transfer of resources from the private to the public sector levied on the basis of a predetermined criteria. Taxes are collected for serving the primary purpose of providing sufficient revenues to the State and have become a mechanism through which the social and economic objectives of a welfare state could be achieved. Every amount that is collected is contributed towards providing better infrastructure facilities for public at large. The same is also utilized towards rural revival and social well-being of general public. Taxation system is instrumental in removing poverty and inequality from the society. On the other hand, tax reform is fundamental equipment in strategy development aiming at holistic growth of the society. Thus, the importance of an efficient tax system and reforms in tax system cannot be undermined.

There are two types of taxes levied in India, i.e., Direct tax, which is levied directly on income, profession, etc., of an individual and where the tax burden cannot be passed on to any other person. Indirect tax, on the other hand, is not paid on the direct income of an individual person but is levied indirectly on the ultimate consumer of goods and services for consumption of goods and services. Hence, the former is levied on the income while latter is levied on the goods and services. In indirect taxes, immediate burden is on one person and ultimate burden is on some other person i.e., the person who ultimately consumes.

Note: For detail study on Direct Tax and Indirect Tax like meaning, difference between Direct and Indirect Tax, etc. please refer Lesson 1.

INDIRECT TAXES IN INDIA – AN OVERVIEW

During the post-Independence period, central excise duty was levied on a few commodities which were in the nature of raw materials and intermediate inputs, and consumer goods were by and large outside the purview of this duty. The first set of reforms were suggested by the Taxation Enquiry Commission (1953-54). The Commission recommended that sales tax should be used specifically by the States as a source of revenue. The Union Governments' intervention was generally allowed only in case of inter-State sales. It also recommended the levy of a tax on inter-State sales subject to a ceiling of 1%, which the states would administer and also retain the revenue from it.

The power to levy tax on sale and purchase of goods on inter-State trade and commerce was assigned to the Union by the Constitution (Sixth Amendment) Act, 1956. By mid-1970s, central excise duty was extended to most manufactured goods. Central excise duty was levied on a unit, called specific duty and on value, called *ad valorem* duty. The number of rates was too many with no offsetting of taxes paid on inputs. This led to significant cascading and classification disputes.

The Indirect Taxation Enquiry Committee constituted in 1976 under Shri L.K. Jha recommended, *inter alia*, converting specific rates into *ad valorem* rates, rate consolidation and input tax credit mechanism of value added tax at manufacturing-level (MANVAT). In 1986, the recommendation of the "Jha Committee on moving on to value added tax in manufacturing was partially implemented. This was called Modified Value Added Tax (MODVAT). In principle, duty was payable on value addition but in the beginning it was limited to select inputs and manufactured goods only with one-to-one correlation between input and manufactured goods for eligibility to take input tax credit. The comprehensive coverage of MODVAT was achieved by 1996-97.

The next wave of reform in indirect tax sphere came with the New Economic Policy of 1991. The Tax Reforms Committee under the chairmanship of Prof. Raja J Chelliah was appointed in 1991. This Committee recommended broadening of the tax base by taxing services and pruning exemptions, consolidation and lowering of rates, extension of MODVAT on all inputs including capital goods. It suggested that if complete benefits were to be derived from the tax reforms the reform of tax structure must be accompanied by a reform of tax administration. Many of the recommendations of the Chelliah Committee were implemented. In 1999-2000, tax rates were merged into three rates, with additional rates on a few luxury goods. In 2000-01, three rates were merged into one rate called Central Value Added Tax (CENVAT). A few commodities were subjected to special excise duty.

Taxation of services by the Union was introduced in 1994 bringing in its ambit only three services, namely general insurance, telecommunication and stock broking. Gradually, over the next decade, more and more services were brought under the tax net. In 1994, tax rate on three services was 5% which gradually increased and in 2017 it was 15% (including cess). Before 2012, services were taxed under a positive list approach. This approach was prone to tax avoidance. In 2012 budget, negative list approach was adopted where 17 services were out of taxation net and all other services were subject to tax.

In 2004, the Input Tax Credit scheme for CENVAT and Service Tax were merged to permit cross utilization of credits across these taxes.

Before state level VAT was introduced by states in the first half of the first decade of this century, sales tax was levied in states since independence. Sales tax had some serious flaws. It was levied by states in an uncoordinated manner the consequences of which were different rates of sales tax on different commodities in different states. Rates of sales tax were more than ten in some states and these varied for the same commodity in different states. Inter-State sales were subjected to levy of Central Sales Tax. As this tax was appropriated by the exporting State credit, it was not allowed by the dealer in an importing state. This resulted into exportation of tax from richer to poorer states and also cascading of taxes. Interestingly, states had power of taxation over services from the very beginning. States levied tax on advertisements, luxuries, and entertainments, amusements, betting and gambling.

A report, titled “Reform of Domestic Trade Taxes in India”, on reforming indirect taxes, especially State sales tax, by National Institute of Public Finance and Policy under the leadership of Dr. Amaresh Bagchi, was prepared in 1994. This Report prepared the ground for implementation of VAT in States. Some of the key recommendations were: replacing sales tax by VAT by moving over to a multistage system of taxation; allowing input tax credits for all inputs, including on machinery and equipment; harmonization and rationalization of tax rates across States with two or three rates within specified bands; pruning of exemptions and concessions except for a basic threshold limit and items like unprocessed food; zero rating of exports, inter-State sales and consignment transfers to registered dealers; taxing inter-State sales to non-registered persons as local sales; modernization of tax administration, computerization of operations and simplification of forms and procedures.

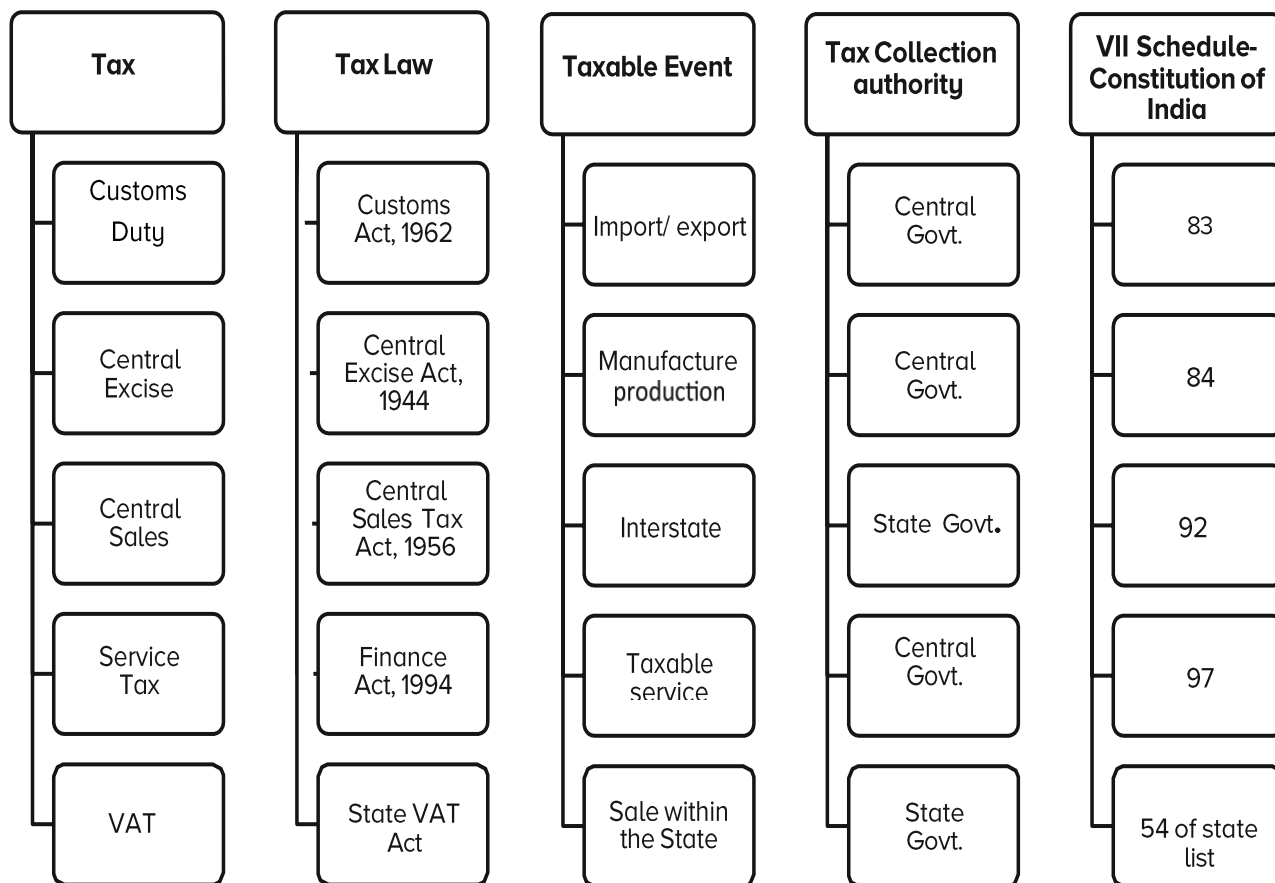
The first preliminary discussion on transition from sales tax regime to VAT regime took place in a meeting of Chief Ministers convened by the Union Finance Minister in 1995. A standing Committee of State Finance Ministers was constituted, as a result of meeting of the Union Finance Ministers and Chief Ministers in November, 1999, to deliberate on the design of VAT which was later made by the Empowered Committee of State Finance Ministers (EC). Haryana was the first State to implement VAT, in 2003. In 2005, VAT was implemented in most of the states. Uttar Pradesh was the last State to implement VAT, from January 01, 2008.

PRE-GST INDIRECT TAX REGIME

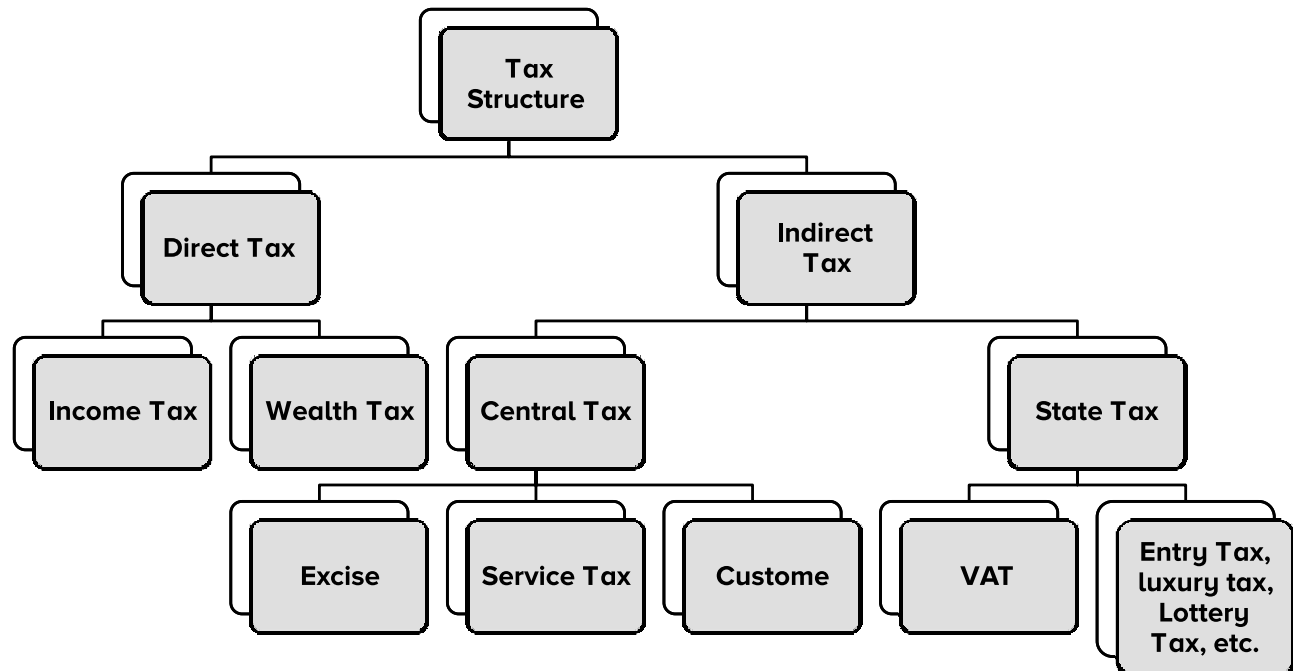
Broadly, the previous indirect tax regime consisted of Central and State laws. For the Central Government, Central Excise, Customs and Service tax were the three main components of indirect taxes. While for State Government, Value Added Tax (VAT) and Central Sales Tax (CST) were the major taxes along with Octroi, Entertainment Tax etc. Taxation of goods and services was governed under separate legislatures. In respect of goods, the Centre had the powers to levy tax on the manufacture of goods (except alcoholic liquor for human consumption, opium, narcotics etc.) while the states had the powers to levy tax on the sale of goods. In the case of inter-State sales, the Centre had the power to levy a tax (Central Sales Tax) but, the tax was collected and retained entirely by the states. As far as services were concerned, it was the Centre alone that was empowered to levy service tax governed by the Finance Act.

Introduction of the Value Added Tax (VAT) was considered to be a major step and an essential breakthrough in the field of indirect taxes. Although primarily VAT was successful, there were certain shortcomings in the structure of VAT. The reasons for such shortcomings was that there was a mosaic of taxes being levied on goods and services, such as luxury tax, entertainment tax, etc., which were not subsumed in the VAT thereby marginalizing the benefits of comprehensive tax credit mechanism. Further to this, many other taxes were levied by both the Central Government and the State Government on production, manufacture and distributive trade, where no set-off was available in the form of input tax credit. These taxes added to the cost of goods and services and led to tax on tax i.e., cascading of taxes and the erstwhile indirect tax regime was ineffective to remove this cascading effect of taxes.

The following diagram summarizes the erstwhile indirect taxation in India:



Pre-GST Tax Structure & Deficiencies



There are various economic factors internal as well as external due to which reforms in tax system become necessary. Issue of reforms in Indian tax system has always been a priority for all the administrative machinery even at the highest policy forums in the country. Integration of domestic economy with world economy makes it desirable.

Previous structure of indirect taxation in India had some challenges which needed to be addressed. Some of the challenges under the previous indirect tax structure could be attributed to:

- Central Excise wherein there were variable rates under Excise Duty such as 2% without CENVAT, 6%, 10%, 18%, 24%, 27%, coupled with multiple valuation system and various exemptions.
- VAT where different states were charging VAT at different rates, which were resulting in imbalance of trade between the states.
- Also, under VAT, there was a lack of uniformity in terms of registration, due date of payment, return filing assessment procedures, refund mechanism, appellate process etc., thus complicating the compliance mechanism. For example: A business establishment having offices in different states were required to follow the laws of the respective states.
- In respect of taxation of goods, CENVAT was confined to the manufacturing stage and did not extend to the distribution chain beyond the factory gate. As such, CENVAT paid on goods could not be adjusted against State VAT payable on subsequent sale of goods. This was true both for CENVAT collected on domestically produced goods as well as that collected as additional duty of customs on imported goods.

Some of the limitations in old System

- Multiple tax
- Multiple taxable event
- Cascading effect
- No uniformity
- Classification issue
- Different department for different types of taxes
- Higher compliance etc.

- CENVAT comprised of several components in the nature of cesses and surcharges such as the National Calamity Contingency Duty (NCCD), education and secondary and higher education cess, additional duty of excise on tobacco and tobacco products etc. This multiplicity of duties complicated the tax structure and often used to obstruct the smooth flow of tax credit.
- While input tax credit of CENVAT or additional duty of customs paid on goods was available to service providers paying Service Tax, they were unable to neutralize the State VAT or other State taxes paid on their purchase of goods.
- State VAT was payable on the value of goods inclusive of CENVAT paid at the manufacturing stage and thus the VAT liability of a dealer always used to get inflated without compensatory set-off.
- Inter-State sale of goods was liable to the Central Sales Tax (CST) levied by the Centre and collected by the states. This was an origin-based tax and could not be set-off against VAT in many situations.
- State VAT and CST were not directly applicable to the import of goods on which Special Additional Duties (SAD) of customs were levied at a uniform rate of 4% by the Centre. Input tax credit of such duties was available only to those entities who were manufacturing excisable goods. Other importers had to claim refund of this duty as and when they pay VAT on subsequent sales.
- VAT dealers were unable to set-off any Service Tax that they paid on procurement of taxable input services.
- State Governments also levied and collected a variety of other indirect taxes such as luxury tax, entertainment tax, entry tax etc. for which no set-off was available.

Need for GST in India

The introduction of CENVAT removed to a great extent the cascading burden by expanding the coverage of credit for all inputs, including capital goods. CENVAT scheme later also allowed credit of services and the basket of inputs, capital goods and input services could be used for payment of both central excise duty and service tax. Similarly, the introduction of VAT in the States has removed the cascading effect by giving set-off for tax paid on inputs as well as tax paid on previous purchases and has again been an improvement over the previous sales tax regime.

But both the CENVAT and the State VAT have certain incompleteness. The incompleteness in CENVAT was: it had not been extended to include chain of value addition in the distributive trade below the stage of production. Similarly, in the State-level VAT, CENVAT load on the goods has not yet been removed and the cascading effect of that part of tax burden has remained unrelieved. Moreover, there are several taxes in the states, such as, Luxury Tax, Entertainment Tax, etc. which had not been subsumed in the VAT. Further, there has also not been any integration of VAT on goods with tax on services at the State level with removal of cascading effect of service tax.

Central Sales Tax (CST) was another source of distortion in terms of its cascading nature. It was also against one of the basic principles of consumption taxes that tax should accrue to the jurisdiction where consumption takes place. Despite remarkable harmonization in VAT regimes under the auspices of the Empowered Committee (EC), the national market was fragmented with too many obstacles in free movement of goods necessitated by procedural requirement under VAT and CST.

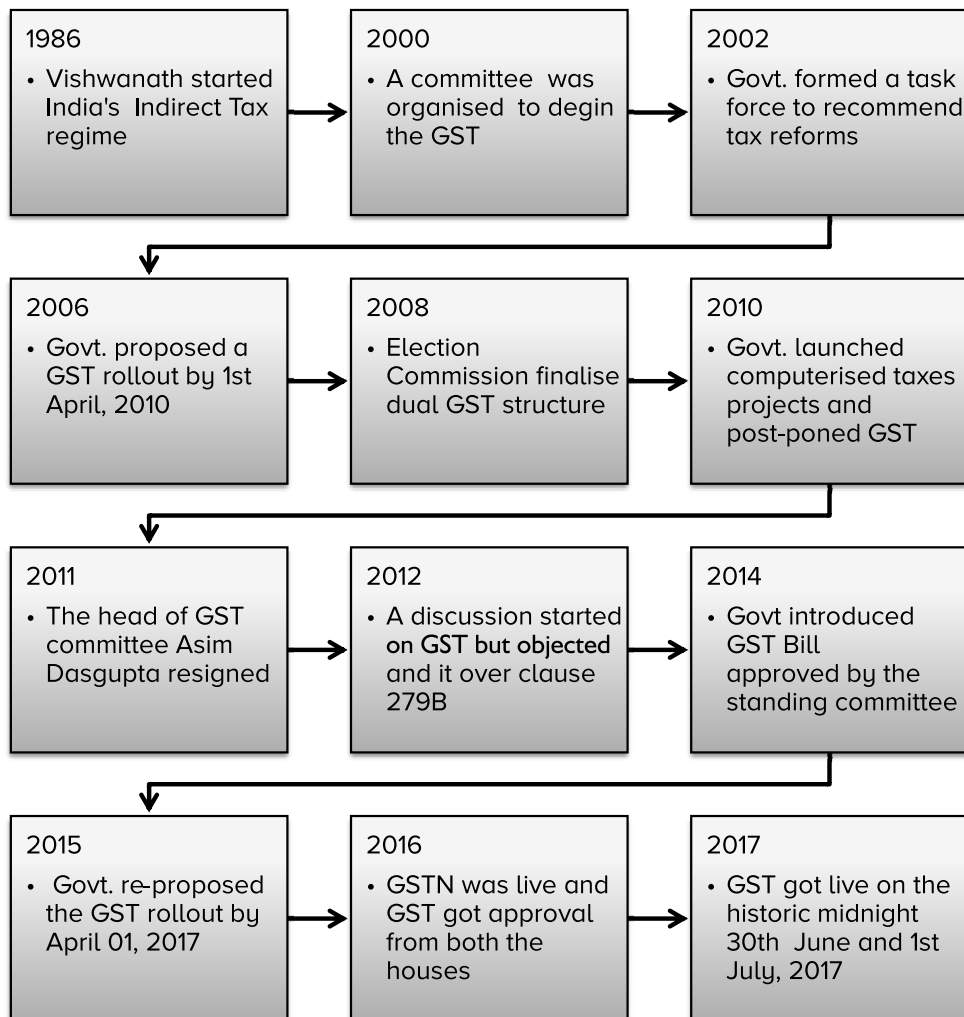
In the constitutional scheme, taxation powers on goods was with Central Government but it was limited up to the stage of manufacture and production while states have powers to levy taxes on sale and purchase of goods. While the Centre had powers to tax services the States also had powers to tax certain services specified

in clause (29A) of Article 366 of the Constitution. This sort of division of taxing powers created a grey zone which led to legal disputes. Determination of what constitutes a goods or service is difficult because in modern complex system of production, a product is normally a mixture of goods and services.

As can be seen from the previous paragraphs, India moved towards value added taxation both at Central and State level, and this process was complete by 2005. Integration of Central VAT and State VAT therefore is nothing but an inevitable consequence of the reform process. The Constitution of India envisages a federal nature of power bestowed upon both Union and States in the Constitution itself. As a natural corollary of this, any unit of the taxation system required a dual GST, levied and collected both by the Union and the States.

Journey of GST in India

The Kelkar Task Force on Fiscal Responsibility and Budget Management (FRBM) in 2005 recommended the introduction of a comprehensive tax on all goods and services replacing the Central-level VAT and State-level VATs.



It recommended replacing all indirect taxes except the customs duty with value added tax on all goods and services with complete set-off in all stages of a product making.

In the budget of 2006-07 the then Union Finance Minister announced that GST would be introduced with effect from April 1, 2010.

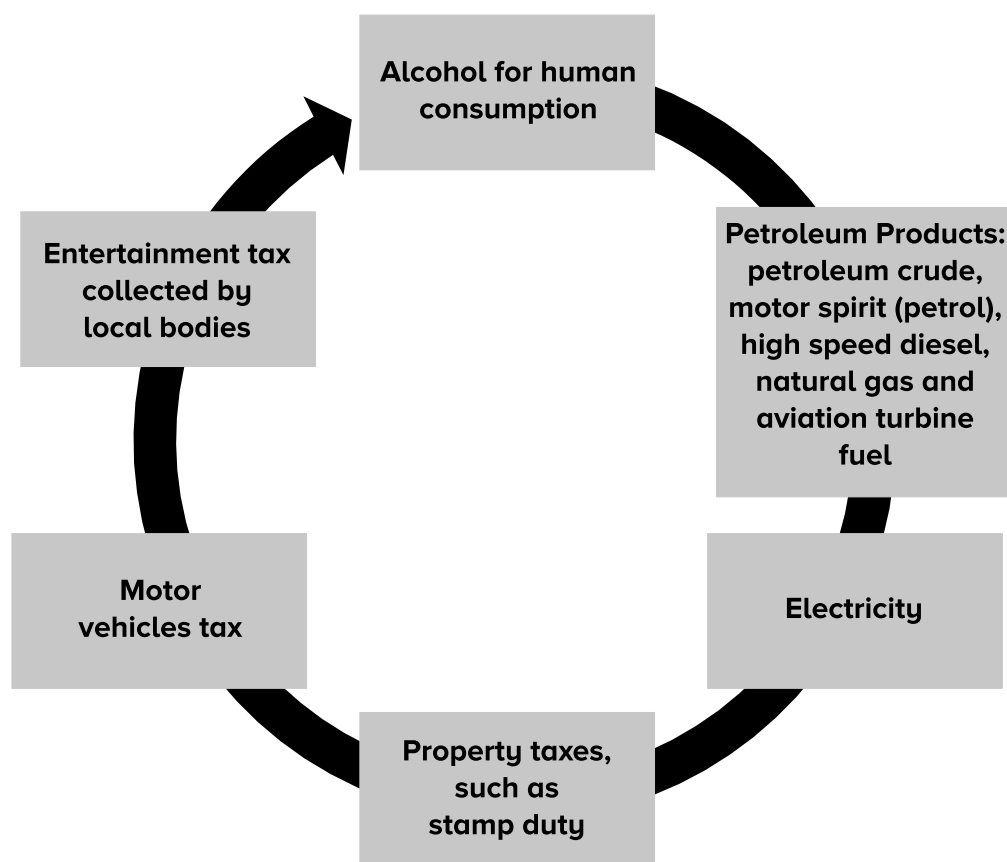
The implementation of GST was assigned to the Empowered Committee of State Finance Ministers (EC). In April, 2008, the EC submitted a report, titled "A Model and Road map for Goods and Services Tax (GST) in India" containing broad recommendations about the structure and design of the GST.

GST was launched on July 1, 2017

A dual GST model for the country was proposed by the EC and was accepted by centre. Under Dual model GST had two components viz., Central GST to be levied and collected by the Centre and the State GST to be levied and collected by the respective States.

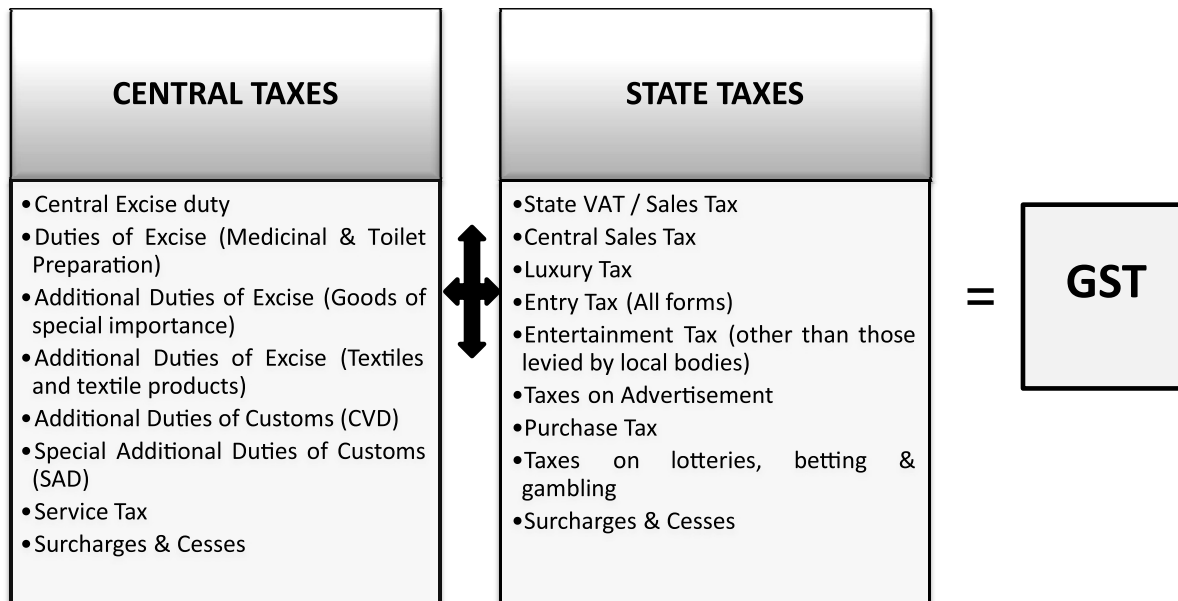
What are outside the purview of GST

The following subject matters kept outside the purview of GST. As such these are taxed under the existing laws of centre and states as the case may be.



Tobacco and tobacco products would be subject to GST. In addition, the Centre would have the power to levy Central Excise duty on these products.

What is subsumed within GST



CONSTITUTIONAL POWERS OF TAXATION

Constitution of India is the supreme law of India. Constitution of India thus lays down the foundation brick for arranging the powers, duties and the supremacy to legislate all laws of India. The authority to levy a tax is hence derived from the Constitution of India.

Article 246 of the Indian Constitution, lays down three types of lists and distributes legislative powers including taxation, between the Parliament of India and the State Legislatures. It lays down the subject matters with respect to which only the Parliament can make rules, where the State Legislatures can exclusively lay down the rules and a Concurrent List whereby both the Parliament as well as State Legislatures can legislate. Thus, the Constitution of India allocates the power to levy various taxes between the Centre and the states.

Provisions related to GST under the Indian Constitution

India has a three-tier federal structure, comprising the Union Government, the State Governments and the Local Government. The power to levy taxes and duties is distributed among the three tiers of Governments, in accordance with the provisions of the Indian Constitution.

The Constitution of India is the supreme law of India. It consists of a Preamble, 25 parts containing 448 Articles and 12 Schedules.

- **Article 265:** Article 265 of the Constitution of India prohibits arbitrary collection of tax. It states that “no tax shall be levied or collected except by authority of law”. The term “authority of law” means that tax proposed to be levied must be within the legislative competence of the Legislature imposing the tax.
- **Article 245:** Part XI of the Constitution deals with relationship between the Union and States. The power for enacting the laws is conferred on the Parliament and on the Legislature of a State by Article 245 of the Constitution.
- **Article 246:** It gives the respective authority to Union and State Governments for levying tax. Whereas Parliament may make laws for the whole of India or any part of the territory of India, the State Legislature may make laws for whole or part of the State.

List I- Union list	Parliament has exclusive power to make laws with respect to any of the matters enumerated in List I in the Seventh Schedule.
List II- State list	the Legislature of any State has exclusive power to make laws for such State or any part thereof with respect to any of the matters enumerated in List II in the Seventh Schedule.
List III- Concurrent list	Parliament or the Legislature of any State also, have power to make laws with respect to any of the matters enumerated in List III in the Seventh Schedule.

Further, the Parliament has power to make laws with respect to any matter for any part of the territory of India not included in a State notwithstanding that such matter is a matter enumerated in the State List.

- **Article 246A:** Power to make laws with respect to Goods and Services Tax. [Article 246A w.e.f. September 16, 2016].
- **Article 254:** Inconsistency between laws made by Parliament and laws made by the Legislatures of States.

Newly Inserted Article 246A

- (1) Notwithstanding anything contained in Articles 246 and 254, Parliament, and, subject to clause (2), the 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 to make laws with respect to goods and services tax where the supply of goods, of services, or both takes place in the course of inter-State trade or commerce.

The Constitution of India has been amended by the Constitution (One Hundred and First Amendment) Act, 2016 for this purpose.

Insertion of Article 246A of the Constitution of India gave powers to the State and Union Legislatures, along with Parliament, to make and amend GST laws as imposed by them. Parliament is given a special power over the states to make laws as per inter-State supplies.

explanation: The provisions of this article, shall, with respect to goods and services tax referred to in clause (5) of article 279A, take effect from the date recommended by the Goods and Services Tax Council.

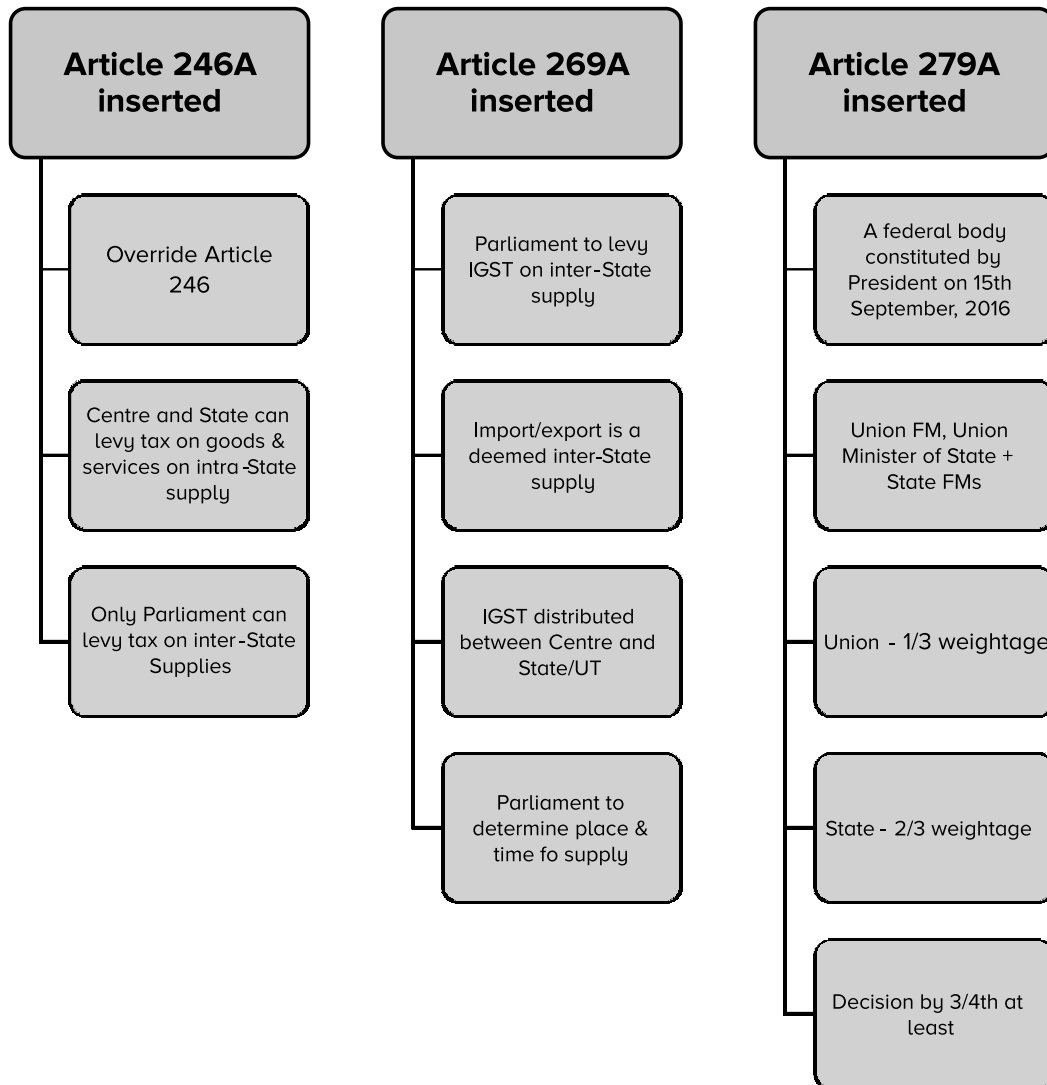
- **Article 248 amended:** Residuary powers of legislation amended.

Article 248 grants the residuary powers to Parliament to make laws with respect to any matter not enumerated in the Concurrent List or State List.

Such power shall include the power of making any law imposing a tax not mentioned in either of those Lists. This article has been amended. Now, this power has been subjected to Article 246A, namely the power to make laws with respect to Goods and Services Tax to be imposed by the Centre and States.

- **Article 269A:** This Article of the Constitution of India describes the manner of revenue distribution from inter-State supplies between the centre and state. The GST Council is empowered to frame the rules in this regard.
- **Article 279A:** Constitution of GST Council.

The President shall, within 60 days from the date of commencement of the Constitution (101st Amendment) Act, 2016, by order, constitute a Council that called the Goods and Services Tax Council. Accordingly, the President has since constituted the GST Council.



GOODS & SERVICES TAX COUNCIL

GST Council is comprised of the Union Finance Minister (who will be the Chairman of the Council), the Minister of State (Revenue) and the State Finance/Taxation Ministers as members. It shall make recommendations to the Union and the States on the following issues:

As provided for in Article 279A of the Constitution, the Goods and Services Tax Council (GST Council) was notified with effect from September 12, 2016

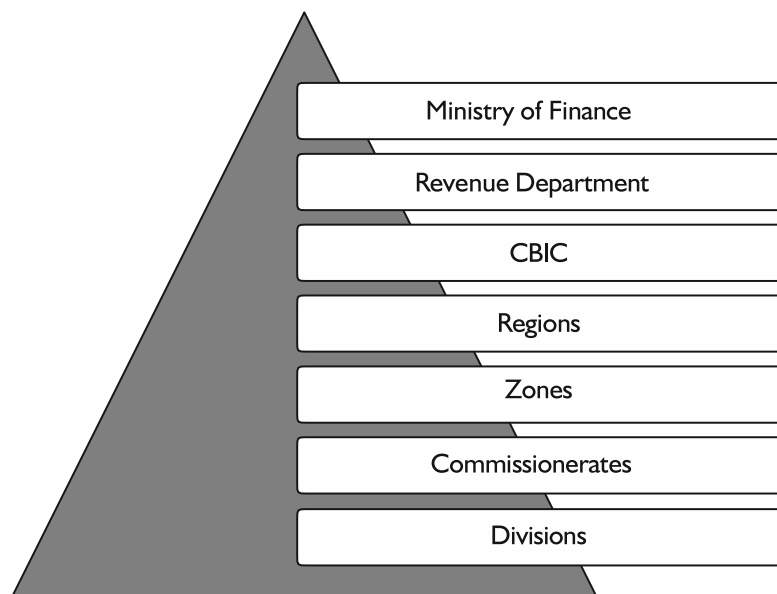
- a) The taxes, cesses and surcharges levied by the Centre, the States and the local bodies which may be subsumed under GST;

As provided for in Article 279A of the Constitution, the Goods and Services Tax Council (GST Council) was notified with effect from September 12, 2016;

- b) The goods and services that may be subjected to or exempted from the GST;
- c) Model GST laws, principles of levy, apportionment of IGST and the principles that govern the place of supply;

- d) The threshold limit of turnover below which the goods and services may be exempted from GST;
- e) The rates including floor rates with bands of GST;
- f) Any special rate or rates for a specified period to raise additional resources during any natural calamity or disaster;
- g) Special provision with respect to the north-east states, J&K, Himachal Pradesh and Uttarakhand; and
- h) Any other matter relating to the GST, as the Council may decide.

ADMINISTRATIVE MECHANISM AT THE CENTRAL LEVEL



AUTHORITY	HEADED BY
Ministry of Finance	Union Finance Minister
Revenue Department	Revenue Secretary
CBIC (Central Board of Indirect Taxes & Customs)	Chairman and Members
Regions	Principal Chief Commissioners
Zones	Chief Commissioners
Commissionerates	Commissioners/ Principal Commissioners
Divisions	Divisional officers/ Deputy Commissioner 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.

Administration and Procedural Aspects of Goods and Services tax are administered by the Central Board of Indirect Taxes & Customs (CBIC) which is under the control of the Department of Revenue, Ministry of Finance.

CASE LAW**29.09.2020*****National Highways Authority of India (Appellant) vs. Sahakar Global Limited (Respondent)******Delhi High Court*****GST implementation being a “change in law” qualifies as a *force majeure* event****Facts of the Case:**

The Appellant invited bids from entities interested in undertaking toll collection from users. The bid by Respondent was accepted by the Appellant. The parties entered into a contract agreement on June 30, 2017 and accordingly the project site was duly handed over to the Respondent on July 2, 2017.

However, two days prior to the execution of the agreement i.e., on June 28, 2017, *Notification No. 9/2017-Central Tax* was issued stating that the CGST Act, 2017 would come into effect from July 1, 2017, due to which, there was a heavy fall in the traffic volume of the commercial transport vehicles and user fee collection on the highway owing to the implementation of GST. The reduction in toll collections rendered the Respondent unable to deposit weekly remittances on time and it tried to plead its case with the Appellant in order to revisit their agreement pertaining to toll collections or seek grant of leniency.

Subsequently, the Respondent, citing implementation of GST as a *force majeure* event covered under the contract agreement, submitted a statement of the losses suffered by it until July 9, 2017. The Appellant refused to accept the Respondent’s claims and denied that the implementation of GST was a *force majeure* event and shortfall in toll collection was a business risk associated with the work, and the Respondent was required to forthwith deposit the outstanding toll collections with penal interest.

Judgment:

The Respondent invoked arbitration wherein the Learned Arbitrator held that implementation of GST was indeed a *force majeure* event whereunder it accepted GST w.e.f. July 1, 2017 as a ‘change in law’ falling under the ambit of force majeure as envisaged in the contract agreement and the Appellant was liable to pay compensation for loss generated in revenue triggered by reduced toll collections due to implementation of GST.

Delhi High Court dismissed the petition and refused to interfere with the arbitral award passed by the Arbitrator to pay the compensation for loss generated in revenue triggered by the reduced toll collection due to implementation of GST and held that, the date of implementation of GST was not known and could not be speculated by anybody. It is a ‘change in law’ qualifying as a *force majeure* event.

LESSON ROUND-UP

- There are two types of taxes i.e., Direct tax and Indirect Tax.
- Previous Indirect tax laws consisted of various taxes at Central and State level including VAT, Excise, Service Tax and like.
- Previous structure of indirect taxation in India had some challenges which needed to be addressed.
- Goods & Services Tax regime of indirect taxes brought a single tax which was levied on supply of goods or services or both with concurrent jurisdiction of Centre and states.

- Various Constitutional amendments became necessary to enable centre and states to levy GST simultaneously.
- A high powered federal body called GST Council has been established under Article 279A of the Constitution of India.
- Various new Articles were inserted and old ones omitted and GST was brought in by Constitution (101st) Amendment Act, 2016.
- GST is one of the most demanding reforms in the field of indirect taxation. GST is an indirect tax which has replaced many indirect taxes like excise duty, service tax, VAT, CST and many other central and state level taxes.

GLOSSARY

- **Taxes:** The word tax is based on the latin word taxo which means to estimate. To tax means to impose a financial charge or other levy upon a taxpayer, an individual or legal entity, by a state or the functional equivalent of a state such that failure to pay is punishable by law.
- **Direct Taxes:** Taxes which are directly levied on Income of the person and its burden can not be shifted; for example Income Tax.
- **Indirect Taxes:** Indirect taxes are imposed on price of goods or services. person paying the indirect tax can shift the incidence to another person; for example GST or Customs duty.
- **GST Council :** GST council is an apex member committee under GST, set up to modify, reconcile and procure any law or regulation pertaining to the Goods and Service tax in India. The Council meets at a destined date to take up issues pertaining to the enforcement of the law, discusses matters at hand and take actions.

TEST YOURSELF

(These are meant for re-capitulation only. Answers to these questions are not to be submitted for evaluation.)

Multiple Choice Questions (MCQs)

1. The GST Council was established under of the Constitution.
 - a) Article 269A
 - b) Article 368
 - c) Article 286
 - d) Article 279A
2. The exclusive right to make laws for matters containing in List-III of Schedule VII of the Constitution of India has been given to
 - a) State Government
 - b) Central Government
 - c) Both of the above
 - d) None of the Above

3. Which of the following taxes have been subsumed in GST?
 - a) Value Added Tax (VAT)
 - b) Central Sales Tax (CST)
 - c) Central Excise Duty and Service Tax
 - d) All of the above
4. GST came into force by the _____ Constitutional Amendment Act.
 - a) 110
 - b) 101
 - c) 111
 - d) None of the above
5. _____ contains the power to make laws with respect to Goods and Services Tax by Union and State Government.
 - a) Article 254
 - b) Article 246
 - c) Article 246A
 - d) Article 264

Answers: 1 (d), 2 (c), 3 (d), 4 (b), 5 (c)

Descriptive Questions

1. Explain Constitutional amendments made to implement GST.
2. "GST is One Nation One Tax" Explain the Concept.
3. What were the Taxes which GST subsumed?
4. Which commodities have been kept outside the purview of Goods and Services Tax (GST)?
5. What were the highlights of Constitutional (101st Amendment) Act, 2016 with respect to Goods and Service Tax?

LIST OF FURTHER READINGS

- Goods & Services Tax, Laws, Concepts and Impact Analysis-Bloomsbury – Dr. Sanjiv Agarwal & Sanjeev Malhotra
- GST Ready Reckoner- Taxmann – V.S. Datey
- A complete guide to Goods & Services Tax Ready Reckoner in Q & A Format- Bloomsbury – Dr. Sanjiv Agarwal & Sanjeev Malhotra
- Bare Acts of GST

