

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA
UN-STARRED QUESTION NO.1159
TO BE ANSWERED ON SATURDAY, THE 19TH SEPTEMBER, 2020
BHADRAPADA 28, 1942 (SAKA)

Extension of Period for GST Reimbursement

1159. SHRI NATARAJAN P.R.:

Will the Minister of **FINANCE** be pleased to state:

- (a) whether any demands have been received from the State Governments for the extension of reimbursement of Goods and Services Tax (GST) compensation period;
- (b) if so, the details thereof along with the names of States and the decision taken by the Government in this regard; and
- (c) if not, the reasons thereof?

ANSWER
MINISTER OF STATE IN MINISTRY OF FINANCE
(Shri Anurag Singh Thakur)

(a):- Yes Sir.

(b) & (c):- A few States have requested for extension of payment of GST compensation beyond transition period of five years. Some through letters written to the Central Government and some have raised it during deliberation in GST Council. In this regard, it is submitted that as per Section 18 of the Constitution (One Hundred and First Amendment) Act, 2016, Parliament shall, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for a period of five years from the date of implementation of GST.
