

What is the Goods and Services Tax (GST) Council?

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What Exactly is the Goods and Services Tax (GST)?

- It is an **indirect tax** (not directly paid by customers to the government), that **came into effect from 1 July 2017 through** the implementation of the **101st Amendment to the Constitution** of India by the Indian government.
- It has actually **replaced various indirect taxes** such as – service taxes, VAT, excise and others in the country.
- **It is levied on the manufacturer or seller of goods and the providers of services.**
- **Types of GST:** State Goods and Services Tax (SGST), Central Goods and Services Tax (**CGST**) and the Integrated Goods and Services Tax (**IGST**, on exports and imports).

What is the GST Council?

- **Article 279A** of the Indian Constitution **gives power to the President of India to constitute a joint forum of the Centre and States called the GST Council**, consisting of the –
- **Union Finance Minister - Chairperson**
- **The Union Minister of State, in-charge of Revenue of finance - Member**
- The **Minister in-charge of finance or taxation** or any other Minister **nominated by each State Government - Members**
- The GST Council is an **apex committee to modify, reconcile or to make recommendations to the Union and the States on GST**, like the goods and services that may be subjected or exempted from GST, model GST laws, etc.
- **Decisions in the GST Council are taken by a majority of not less than three-fourth of weighted votes cast.**
- **Centre has one-third weightage of the total votes cast and all the states taken together have two-third of weightage** of the total votes cast.
- **All decisions taken by the GST Council have been arrived at through consensus.**

Q1) What is an Indirect Tax?

An indirect tax is collected by one entity in the supply chain, such as a manufacturer or retailer, and paid to the government; however, the tax is passed onto the consumer by the manufacturer or retailer as part of the purchase price of a good or service. The consumer is ultimately paying the tax by paying more for the product.

Source: [GST Council to discuss scope of budgetary support for units in hilly states](#)

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