

**Press Information Bureau
Government of India
Cabinet**

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Cabinet approves four GST Bills

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the following four GST related bills:

1. The Central Goods and Services Tax Bill 2017 (The CGST Bill)
2. The Integrated Goods and Services Tax Bill 2017 (The IGST Bill)
3. The Union Territory Goods and Services Tax Bill 2017 (The UTGST Bill)
4. The Goods and Services Tax (Compensation to the States) Bill 2017 (The Compensation Bill)

The above four Bills have been earlier approved by the GST Council after thorough, clause by clause, discussion over 12 meetings of the Council held in the last six months.

The CGST Bill makes provisions for levy and collection of tax on **intra-state** supply of goods or services for both by the Central Government. On the other hand, IGST Bill makes provisions for levy and collection of tax on **inter-state** supply of goods or services or both by the Central Government.

The UTGST Bill makes provisions for levy on collection of tax on **intra-UT** supply of goods and services in the Union Territories without legislature. Union Territory GST is akin to States Goods and Services Tax (SGST) which shall be levied and collected by the States/Union Territories on intra-state supply of goods or services or both.

The Compensation Bill provides 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 as per section 18 of the Constitution (One Hundred and First Amendment) Act, 2016.

This document has been compiled as service to our clients. We recommend that you seek professional advice prior to initiating action on specific issues.

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Background:

The Government is committed to early introduction of GST, one of the biggest reforms, in the country as early as possible. GST Council has decided 1st July as the date of commencement of GST. The Finance Minister in his Budget Speech has mentioned that country-wide outreach efforts will be made to explain the provisions of GST to Trade and Industry.

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