

THE IGST ACT, 2017

BUDGET ANALYSIS 2024-25

IGST Act 2017:

Section	Existing	Amendment	Bizsol Analysis
5	<p>(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the integrated goods and services tax on all inter-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding forty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person:</p> <p>Provided that the integrated tax on goods 2[other than the goods as may be notified by the Government on the recommendations of the Council] imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962</p>	<p>in section 5, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and undenatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption” shall be inserted.</p>	<p>Section is amended to not levy integrated tax on Extra Neutral Alcohol used for manufacture of alcoholic liquor for human consumption</p>

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<p>6A</p>	<p>-</p>	<p>6A. Notwithstanding anything contained in this Act, if the Government is satisfied that— (a) a practice was, or is, generally prevalent regarding levy of integrated tax (including non-levy thereof) on any supply of goods or services or both; and (b) such supplies were, or are, liable to — — (i) integrated tax, in cases where according to the said practice, integrated tax was not, or is not being, levied; or (ii) a higher amount of integrated tax than what was, or is being, levied, in accordance with the said practice, the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the integrated tax payable on such supplies, or, as the case may be, the integrated tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the integrated tax was not, or is not being, levied, or was, or is being, short levied, in accordance with the said practice.”.</p>	<p>New section is inserted to empower the Government to regularize non – levy or short levy of integrated tax where it is found that such non levy or short levy was a result of general trade practice.</p>
<p>16</p>	<p>(4) The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify-</p>	<p>(a) in sub-section (4), — (i) in clause (i), after the words “claim refund of the tax so paid”, the words and figures “in accordance with the</p>	<p>Reference of Section 54 of CGST Act, 2017 is incorporated, and refund cases where export with payment of IGST is made.</p>

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	<p>(i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid;</p> <p>(ii) a class of goods or services which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid.]</p>	<p>provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder” shall be inserted;</p> <p>(ii) in clause (ii), for the words “which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid”, the words and figure “or both, on zero rated supply of which, the supplier may pay integrated tax and claim the refund of tax so paid, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder” shall be substituted;</p> <p>(b) after sub-section (4), the following sub-section shall be inserted, namely:— “(5) Notwithstanding anything contained in subsections (3) and (4), no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods are subjected to export duty.”.</p>	<p>No refund in case of export having exporting will be granted.</p>
20	<p>[Provided also that where the appeal is to be filed before the Appellate Authority or the Appellate Tribunal, the maximum amount payable shall be fifty crore rupees and one hundred crore rupees respectively.]</p>	<p>“Provided also that a maximum amount of forty crore rupees shall be payable for each appeal to be filed before the Appellate Authority or the Appellate Tribunal.”.</p>	<p>Section is amended to reduce the maximum amount of pre-deposit payable for filing appeal before appellate authority from Rs. 50 crores to Rs. 40 crores of integrated tax.</p>

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