

# Goods and Services Tax Act

(Based on the recommendation of GST Council)

**BUDGET ANALYSIS 2026-27**

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Sec No	Amendment Effective	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
15	From the date to be notified.	Value of taxable supply	(3) The value of the supply shall not include any discount which is given— (a) _____ <b>(b) after the supply has been effected, if</b> <b>(i) such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and</b> <b>(ii) input tax credit as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply.</b>	(b) after the supply has been effected, if for such discount, a credit note has been issued by the supplier and input tax credit as is attributable to such discount has been reversed by the recipient of the supply, in accordance with the provisions of section 34.	<p>The proposed substitution of section 15(3)(b) significantly liberalises the treatment of post-supply discounts under GST. By removing the rigid requirement that such discounts must be pre-agreed and invoice-linked, the amendment aligns the statutory provision with commercial realities, where discounts are often determined based on post-sale performance, targets, or market conditions.</p> <p>The proposed amendment to section 15(3)(b) is a clear legislative harmonization, by expressly linking valuation adjustment for post-supply discounts to section 34 compliance, the law now ensures that both provisions</p>

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					operate in tandem rather than in isolation.
34	From the date to be notified.	Credit Note	34. Where one or more tax invoices have] been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year] containing such particulars as may be prescribed.	34. Where one or more tax invoices have] been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient <b><u>or where a discount referred to in clause (b) of sub-section (3) of section 15 is given,</u></b> the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year] containing such particulars as may be prescribed.	Earlier, while section 15 permitted reduction in taxable value for post-supply discounts, section 34 did not explicitly acknowledge such discounts, resulting in uncertainty regarding the legitimacy of credit notes issued for this purpose. Post-amendment, the law establishes a unified framework where post-supply discounts, credit note issuance, ITC reversal, and taxable value adjustment are seamlessly integrated.

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Section 54 (6)	From the date to be notified.	Refund	(6) Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety per cent of the total amount so claimed, 5c[***] in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.	(6) Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both <b><u>or of unutilised input tax credit allowed under clause (ii) of the first proviso to sub-section (3) made by registered persons,</u></b> other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety per cent of the total amount so claimed, 5c[***] in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.	Provisional refund of 90% shall be available in cases of zero-rated supply of goods or services or both, and refund of unutilised input tax credit allowed under section 54(3)(ii), subject to prescribed conditions.

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<b>Section 54 (14)</b>	<b>From the date to be notified.</b>	<b>Refund</b>	(14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if the amount is less than one thousand rupees.	(14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6), other than cases where refund of tax is claimed on account of goods exported out of India with payment of tax, shall be paid to an applicant, if the amount is less than one thousand rupees.	The proposed amendment to section 54(14) introduces a targeted carve-out from the minimum refund threshold of ₹1,000 in cases where refund of tax is claimed on account of export of goods out of India with payment of tax. By exempting IGST-paid export refunds from the monetary threshold, the legislature seeks to ensure that exporters are not denied legitimate refunds merely on account of the quantum involved. This change is particularly relevant for exporters of low-value or high-frequency consignments, where refund amounts may individually fall below the prescribed limit.
<b>101A</b>	<b>From the date to be notified.</b>	<b>Constitution of National Appellate Authority for Advance Ruling</b>	NA	“(1A) Notwithstanding anything contained in sub-section (1), till the National Appellate Authority is constituted under that sub-section, the Government, may on the	The NAAR (an appeal can be made before the NAAR in cases of conflicting advance rulings issued by Appellate Authorities of different States or Union Territories) has not yet been constituted,

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				<p>recommendations of the Council, by notification, empower any existing Authority constituted under any law for the time being in force to hear appeals made under section 101B and in such case:</p> <p>(a) the provisions of sub-sections (2) to (13) shall not apply; and</p> <p>(b) any reference to the National Appellate Authority under this Chapter shall be construed as a reference to such Authority.</p> <p>Explanation.— For the purposes of this sub-section, the expression “existing Authority” shall include a Tribunal.”.</p>	<p>rendering the appellate remedy under section 101B practically inoperative.</p> <p>The proposed sub-section (1A) provides that until the NAAR is constituted:</p> <p>The Government may, on the recommendation of the Council, empower any existing Authority (including a Tribunal) to hear appeals under section 101B.</p>
<b>Section 13</b>	<b>From the date to be notified.</b>	<b>Place of Supply in case of Intermediary Services.</b>	Place of supply is location of the service provider	Proposed to be omitted and default clause of Section 13 (2), i.e. place of supply will be location of service recipient.	<p>Intermediary services are removed from section 13(8).</p> <p>Consequently, place of supply for intermediary services will no longer be deemed as the location of the supplier under section 13(8).</p>

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					<p>Such services will now be governed by the general rule under section 13(2), i.e.:</p> <p>Place of supply shall be the location of the recipient of services.</p> <p>Indian intermediary service providers supplying services to overseas recipients will no longer be liable to GST, while intermediary services received by Indian recipients from foreign suppliers will become taxable under reverse charge.</p> <p>However, now the intermediary appointed outside either for sourcing in India or providing services from outside India will be subjected to tax under reverse charge mechanism.</p>

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