

Highlights of GST Draft Guidelines are as under:

Source : Internet

1. Central and state GST will apply on all transaction of goods and services
2. Tax paid as central GST will be allowed to taken as input tax credit
3. State GST will also be allowed to be taken as input tax credit
4. Cross-utilisation of input tax credit not allowed
5. GST administration to be separate for State and Centre
6. GST payer to be allotted a unique ID number linked to PAN number
7. Tobacco products also subjected to GST
8. Alcoholic beverages to be kept out of GST and to be taxed at sales tax/VAT rate instead of GST Sales tax to be applied on petroleum products
9. No decision on excluding natural gas from GST
10. "Necessary items" to attract lower GST rate
11. Services to be taxed at a single rate for both centre and state
12. Small traders to be kept out of GST net
13. Businesses with annual turnover below Rs 10 lakh to be exempt from State GST
14. Businesses below annual turnover of Rs 1.5 crore to be exempt from central GST
15. GST to have composition/compounding scheme to avoid instances of double taxation- Proposes compounding cut-off at Rs 50 lakh of gross annual turnover and floor rate of 0.5% across the states
16. Central and state GST to be applied on goods and services imported
17. GST on imported goods and services to follow destination principle
18. Inter-state transactions to attract Centre and State GST- GST on inter-state transactions can be set off against future transactions