



GST Council Agrees to Have Two Judicial Members and Two Technical Members in the Tribunal on Chhattisgarh's Proposal

Why in News?

- In the GST Council meeting held under the chairmanship of Finance and Corporate Affairs Minister Nirmala Sitharaman on February 18, 2023, on behalf of Chhattisgarh, on the proposal to have two judicial members and two technical members (one from the state and one from the center) in the tribunal Consensus was reached in the council.

Key Points

- This will also enable states to get proper representation while taking proper care of cooperative federalism. States will also have the right to determine the number of benches of tribunals based on their geographical and other circumstances.
- It is worth mentioning that the 49th meeting of the GST Council was held at Vigyan Bhawan, New Delhi. Union Minister of State for Finance Pankaj Chowdhary and Finance Ministers of other states, officers and Chhattisgarh Commissioner, Commercial Tax Bhim Singh also participated in the meeting.
- The proposal was put forward by Chhattisgarh's commercial tax minister TS Singhdeo. Chhattisgarh demanded to provide the amount of compensation soon. It was decided to give compensation amount of Rs 505 crore immediately by the central government.
- The main issue in the meeting was the GST Appellate Tribunal (Tribunal). The Group of Ministers was constituted to reconsider the tribunal provision after the Madras High Court declared the tribunal provision of TNGST illegal in the Madras Bar Association case. The report of this Group of Ministers was presented in the meeting.
- Madhya Pradesh and Chhattisgarh supported status quo on Orissa's proposal to reduce GST rate on tendu leaves to zero. Earlier, in the 22nd and 37th meeting of the Council, it was decided to keep the rate unchanged and to maintain status quo based on opinion of Madhya Pradesh and Chhattisgarh.
- It is noteworthy that due to the policies of the Chhattisgarh government, tendu leaf collectors are provided the highest benefit across the country. Due to the transfer of maximum benefit, the burden of tax does not have to be borne by the collectors, as well as the tax burden is borne by the government due to RCM (reverse charge) on tendu leaves.
- Bhartiya Kisan Sangh, Chhattisgarh State proposed to give such input tax to the farmers (as it is given to other manufacturers) on fertilizers, agricultural machinery etc. purchased after paying the tax.
- It may be noted that the eligibility for input tax is only after registration and taxable sale. Farmers are not eligible for input tax due to lack of registration and taxable sales. Therefore, a proposal was put before the council by converting this proposal from Chhattisgarh to keep all the materials used by the farmers free from GST, which was recommended to be sent to the Fitment Committee for consideration.

PDF Referenece URL: <https://www.drishtias.com/printpdf/gst-council-agrees-to-have-two-judicial-members-and-two-technical-members-in-the-tribunal-on-chhattisgarh-s-proposal>

