

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
STARRED QUESTION NO-137
ANSWERED ON-15/03/2022

GST COMPENSATION TO STATES

137. SHRI Y.S. CHOWDARY:

Will the Minister of FINANCE be pleased to state:

(a) the details of GST compensation to States pending till date, State-wise;

(b) whether the Centre is committed to release the full GST compensation to the States and Union Territories in line with the GST (Compensation to States) Act, 2017 for the transition period ;

(c) whether Government is extending the levy of compensation cess beyond five years to meet the revenue shortfall and servicing the loan through the special window scheme, for the States; and

(d) if so, the details thereof?

ANSWER

THE MINISTER OF FINANCE
(MS. NIRMALA SITHARAMAN)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED
QUESTION NO. 137 FOR ANSWER ON 15TH MARCH, 2022**

(a) to (d): For the purpose of payment of compensation to States for any loss of revenue arising on account of implementation of GST for five years, a GST Compensation Cess is levied on select items under Section 8 of the GST (Compensation to States) Act, 2017. This is transferred into a non-lapsable Fund known as GST Compensation Fund which forms part of the Public Account of India as provided in Section 10(1) of the act. All releases of compensation to States are done only out of Compensation Fund as per Section 10(2) of the said Act and not from the Consolidated Fund of India. GST compensation for financial years 2017-18, 2018-19, 2019-20 and 2020-21 has already been paid to the States/UTs. The economic impact of the pandemic has led to higher compensation requirement due to lower GST collection and at the same time lower collection of GST compensation cess.

The issue of shortfall of cess collection into Compensation Fund and GST compensation to States/UTs due to economic impact of the pandemic has been deliberated in 41st, 42nd & 43rd GST council meetings. ₹ 1.1 lakh crore for FY 2020-21 & ₹ 1.59 lakh crore for FY 2021-22 has been released to States/ UTs as back to back loan to meet the resource of the States/UTs due to shortfall in GST compensation. This arrangement has been finalized after detailed deliberations with the States and all States have opted for this arrangement. Depending on the amount available in the Compensation Fund, Centre has also been releasing the regular GST compensation to States to make up for GST revenue shortfall.

Details of GST compensation yet to be released to the States for FY 2021-22 is as per the **Annexure**. Centre is committed to release full GST Compensation to the States/UTs as per GST (Compensation to States) Act, 2017 for the transition period by extending the levy of Compensation cess beyond 5 years to meet the GST revenue shortfall as well as servicing the loan borrowed through special window scheme.

Details of GST compensation released/ pending for FY 2021-22

(in Rs. Crore)

S. No.	Name of State/UT	GST compensation released during the FY 2021-22	Back to back loan released in FY 2021-22	GST compensation yet to be released for FY 2021-22
(1)	(2)	(3)	(4)	(5)
1	Andhra Pradesh	3117	3272	1524
2	Arunachal Pradesh	0	0	0
3	Assam	1014	1774	549
4	Bihar	1945	6816	439
5	Chhattisgarh	1217	4965	722
6	Delhi	6446	6193	5461
7	Goa	911	847	832
8	Gujarat	8207	13040	1062
9	Haryana	2909	7394	0
10	Himachal Pradesh	1168	2695	109
11	J & K	893	3845	0
12	Jharkhand	1526	2484	1268
13	Karnataka	8976	18109	3914
14	Kerala	3856	8739	2629
15	Madhya Pradesh	3095	7011	2199
16	Maharashtra	17834	13782	11563
17	Manipur	0	0	0
18	Meghalaya	163	141	111
19	Mizoram	0	0	0
20	Nagaland	0	0	0
21	Odisha	1663	6430	0
22	Puducherry	329	1096	120
23	Punjab	4442	12132	1500
24	Rajasthan	3746	7268	625
25	Sikkim	9	0	0
26	Tamil Nadu	6697	8095	6733
27	Telangana	2006	4569	308
28	Tripura	101	401	0
29	Uttar Pradesh	8299	8140	6954
30	Uttarakhand	1475	3333	745
31	West Bengal	4531	6425	4292
	Total	96576	159000	53661