**FAQs on Goods & Services Tax**

**1. Overview of Goods and Services Tax (GST)**

Q 1. What is Goods and Services Tax (GST)?

Ans. It is a destination based tax on consumption of goods and services. It is proposed to be levied at all stages right from manufacture up to final consumption with credit of taxes paid at previous stages available as setoff. In a nutshell, only value addition will be taxed and burden of tax is to be borne by the final consumer.

Q 2. What exactly is the concept of destination based tax on consumption?

Ans. The tax would accrue to the taxing authority which has jurisdiction over the place of consumption which is also termed as place of supply.

*Source:* [*http://www.cbec.gov.in/resources//htdocs-cbec/gst/new-faq-on-gst-second-*](http://www.cbec.gov.in/resources//htdocs-cbec/gst/new-faq-on-gst-second-)*edition.pdf*

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