**FAQs on Goods & Services Tax**

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

Q 9. Why is Dual GST required?

Ans. India is a federal country where both the Centre and the States have been assigned the powers to levy and collect taxes through appropriate legislation. Both the levels of Government have distinct responsibilities to perform according to the division of powers prescribed in the Constitution for which they need to raise resources. A dual GST will, therefore, be in keeping with the Constitutional requirement of fiscal federalism.

Q 10. Which authority will levy and administer GST?

Ans. Centre will levy and administer CGST & IGST while respective states /UTs will levy and administer SGST/ UTGST.

Q 11. Why was the Constitution of India amended recently in the context of GST?

Ans. Currently, the fiscal powers between the Centre and the States are clearly demarcated in the Constitution with almost no overlap between the respective domains. The Centre has the powers to levy tax on the manufacture of goods (except alcoholic liquor for human consumption, opium, narcotics etc.) while the States have the powers to levy tax on the sale of goods. In the case of inter-State sales, the Centre has the power to levy a tax (the Central Sales Tax) but, the tax is collected and retained entirely by the States. As for services, it is the Centre alone that is empowered to levy service tax. Introduction of the GST required amendments in the Constitution so as to simultaneously empower the Centre and the States to levy and collect this tax. The Constitution ofIndia has been amended by the Constitution (one hundred and first amendment) Act, 2016 for this purpose. Article 246A of the Constitution empowers the Centre and the States to levy and collect the GST.

*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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