

INTERNATIONAL JOURNAL OF LAW
MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 4 | Issue 4

2021

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Goods & Services Tax (GST): Constitutionality

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ABSTRACT

The Republic of India got its independence in 1947, and its Constitution was formally enacted in the year 1950. The state of India, in order to remove the cascading effect of indirect taxes, sought to reform its existing tax structure. It launched a new tax regime on July 01, 2017 having ended a variety of central and state imposed indirect taxes, GST. More than 160 states have implemented this taxation system, most of them being developed nations.

Therefore, with the Constitution (122nd Amendment) (GST) Bill 2014, amends were made in the Constitution & The Constitution (One Hundred and First Amendment) Act, 2016, introduced Goods & Services in India.

A single window tax was therefore imposed under the name of Goods and Services Tax ("GST"). The newly developed tax structure was a four set of enactments, i.e. Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017.

Keywords: *GST, Tax, Tax structure, Tax Constitutionality, CGST, SGST, IGST, UTGST, Goods & Services Tax.*

I. THE EXEMPTION OF CERTAIN GOODS OUT OF THE PURVIEW OF G.S.T.

The exemption of certain goods and services out of the preview of GST is founded on reasonable classification provided under Article 14 the Constitution of India and this exemption has passed the test of reasonable classification also provided under same Article 14 of the same constitution.

II. TEST OF REASONABLE CLASSIFICATION

While Article 13 forbids class legislation it does not forbid reasonable classification of persons, objects, and transactions by the parliament for the purpose of achieving specific ends. But classification must not be "arbitrary, artificial or evasive." It must always rest upon some real and substantial distinction bearing a just and reasonable relation to the object sought to be

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achieved by the legislation. According to the Supreme Court, classification to be reasonable must fulfil the following two conditions:

In **Saurabh Chaudhari v Union of India** (AIR 2004 SC 2212), Firstly, the classification must be founded on the intelligible differentia which distinguishes persons or thing that are grouped together from others left out of the group.

Secondly, the differentia must have a rational relation to the object sought to be achieved by the act.

The differentia which is the basis of the classification and the object of the act are two distinct things. What is necessary is that there must be nexus between the basis of classification and the object of the act which makes the classification. It is only when there is no reasonable basis for a classification that legislation making such classification may be declared discriminatory. Thus, the legislature may fix the age at which persons shall be deemed competent to contract between themselves but no one will claim that competency. No contract can be made to depend upon the stature or colour of the hair. Such a classification will be arbitrary.

The true meaning and scope of the right to equality [Article 14] have been explained in a number of cases by the Supreme Court. The propositions laid down in **Ram Krishna Dalmia v. Tendolkar** (1959 SCR 279) case still hold good governing a valid classification and are as follows.

1. A law may be constitutional even though it relates to a single individual if on account of some special circumstances or reasons applicable to him and not applicable to others, that single individual may be treated as a class by itself.
2. There is always presumption in favour of the constitutionality of a statute and the burden is upon him who attacks it to show that there has been a clear transgression of constitutional principles.
3. The presumption may be rebutted in certain cases by showing that on the fact of the statute, there is no classification and no difference peculiar to any individual or class and not applicable to any other individual or class, and yet the law hits only a particular individual or class.
4. It must be assumed that Legislature correctly understands and appreciates the need of its own people that their laws are directed to problem made manifest by experience and that its discrimination, are based on adequate grounds.

5. In order to sustain the presumption of constitutionality the court may take into consideration matters of common knowledge, matters of report, the history of the times and may assume every state of facts which can be conceived existing at the time of the legislation.

6. Thus, the legislation is free to recognize degrees of harm and may confine its restriction to those cases where the need is deemed to be the clearest.

7. While good faith and knowledge of the existing conditions on the part of a legislature are to be presumed, if there is nothing on the face of the law or the surrounding circumstances brought to the notice of the court on which the classification may reasonably be regarded as based, the presumption of constitutionality cannot be carried to the extent always that there must be some undisclosed and unknown reason for subjecting certain individuals or corporation to be hostile or discriminating legislation.

8. The classification may be made on different bases- E.g. geographical or according to object or occupation or the like.

9. The classification made by the legislature need not be scientifically perfect or logically complete. Mathematical nicety and perfect equality are not required. Equality before the law does not require mathematical equality of all persons in all circumstances. Equal treatment does not mean identical treatment. Similarly, not identity of treatment is enough.

10. There can be discrimination both in the substantive as well as the procedural law. Article 14 applies to both. If the classification satisfies the test laid down in the above propositions, the law will be declared constitutional. The question whether a classification is reasonable and proper and not must however, be judged more on common sense than on legal subtleties.

As, it is apparent that Goods and Services Tax (GST) is the biggest and substantial indirect tax reform since 1947. The main idea of GST is to replace existing taxes like value-added tax, excise duty, service tax and sales tax. It will be levied on manufacture sale and consumption of goods and services. GST is expected to address the cascading effect of the existing tax structure and result in uniting the country economically.

III. TAXES SUBSUMED UNDER CGST

- Excise Duty
- Medical Excise
- CVD

- Service Tax
- CESSSES
- SAD
- SURCHA RGES

IV. TAXES SUBSUMED UNDER SGST

- VAT / Sales Tax
- Entry Tax / Contract / LBT
- Purchase Tax → Luxury Tax
- Entertainment Tax
- State cesses & Surcharges
- Taxes on Lottery, batting and Gambling

V. TAXES NOT SUBSUMED UNDER GST

- Basic Custom Duties
- Excise on Liquor
- Property Tax
- Stamp Duty
- Tax on Sale / Consumption of Electricity

VI. PRODUCTS NOT COVERED UNDER GST

- Petroleum Crude
- Motor Spirit (Petrol)
- High Speed Diesel
- Natural Gas
- Aviation Turbine Fuel
- Liquor

VII. MAIN FEATURES OF GOODS & SERVICES TAX ACT

1. Taxable event- Tax on supply of goods and services rather than manufacture / production of goods provision of services or sale of goods.

2. **Determination of Nature of Supply-** Intra-state supply of goods and services where the location of the supplier and the place of supply are in the same state. Inter-state supply of goods or services- where the location of the supplier and the place of supply are in different state.
3. **Liability to pay-** Liability to pay tax arises only when the taxable person crosses the exemption threshold.
4. **Composition Scheme-** Provision for levy of tax on fixed rate on aggregate turnover upto a prescribed limitation in a final year.
5. **Time and Value of supply-** The time of supply of goods or services with following being crucial determination with certain exemptions.
 - Date on which supplier issues invoice.
 - Date on which supplier review the payment.
 - Tax is being period on termination value of supply.
6. **Input Tax Credit-** ITC is available in respect of taxes paid on any supply of goods or services used or intended to be used in the course.
7. **Registration-** PAN based registration required to be obtained for each state from where taxable supplies or being made.
8. **Returns-** normal tax-payers, compositions tax-payers, casual tax-payers, input service distributors file separate electronic return with different cut-off dates. Annual return to be filed by 31st December of the following final year along with a statement.
9. **Payment-** System of electronic cash ledger and electronic ITC ledger. Tax can be deposited by internet banking, NEFT / RTGS, Debit / Credit card, and over the counter.
10. **Refund-** Time limit for refund of tax or interest is two years. Refund to be granted within 60 days from the date of receipt of complete application.
11. **Assessment and Audit-** Self- assessment of tax provisions for assessment of non-filers, unregistered person and summary assessment in certain cases.

Provisions for provisional assessment on request of taxable person to be finalized in six months.

Audit to be conducted at the place of business of the taxable person or at the office of tax authorities after prior intimation to taxable person. Audit to be completed within 3 months.

12. **Demand-** Adjudication order to be issued within 3/5 years of filing of annual return.

13. Powers of officers and tax-payers right to appeal- Officers to have power of search and seizure with inbuilt safeguards.
14. Restricted power to arrest and for prosecution.
15. An Appeal to Supreme Court.

VIII. OBJECTIVES OF GOODS AND SERVICES ACT

- GST would help to eliminate the cascading effects of production and distribution cost of goods and services.
- GST would eliminate the multiplicity of the indirect taxation and streamline of all indirect taxes, which would be beneficial for manufacture and ultimate consumer.
- GST would be able to cover all the shortcoming of existing VAT system.
- Incidence of tax falls on dominates production.
- There should be no export of taxes cross taxing jurisdiction.
- The market should be integrated in to single common market.
- It enhances the cause of cooperative federalism.

IX. ADVANTAGES OF GOODS AND SERVICE TAX ACT

Introduction of a GST is very much essential in the emerging environment of the economy

- There is no doubt that in production and distribution of goods, services and increasingly used or consumed. Separate taxes for goods and services, which is the present taxation system, requires division of transaction values into value of goods and services for taxation, leading to greater complications, administration, including complain costs. In the GST system, where all the taxes are integrated, it would more possible the taxation burden to be split equitably between manufacturing and services.
- GST will be levied only at the final distribution on consumption waste on VAT principle and not at various points (from manufacturing to retail outlets). This will help in remaining economic distributions and bring amount development of a common national market.
- It will also help to build a permanent and corruption free tax administration.
- Possible reduction in prices- due to full and seamless credit, manufacturers or traders do not have to include taxes as a part of their cost of production, which is a very big reason to say that we can see a reduction in prices.

- Increase in Government Revenue- This might seem to be little vague. However, even at the time of introduction of VAT, the public revenues actually went up instead of falling because many people resorted to paying taxes. However, the government may wish to introduce GST at a revenue neutral rate, in which case the revenues might not see a significant increase in the short run.
- Less complains and procedural cost- Instead of maintaining big records, returns and reporting under various different statutes, all assesses will find comfortable under GST as the complains cost will be reduced.
- Push to exports- With fall in production cost in domestic market, the competitiveness of Indian goods in international market will increase. This bodes well for exporters, who compete with global manufacturers.
- Information Technology enabling Services- The proposed GT rate under the I.T industry is not yet divided. While the discussed combined rate of GST for the product in 27%. According to proposed GST, if the software is transferred through electronic form, it would be regarded as service (intellectual property), and if it is transferred through media or any other tangible property, then it should be treated as goods.
- Infrastructure Sector- The Indian infrastructure sector largely comprises, power, road, port and the indirect tax levy is different and unique for each of them and this complex in nature.
- With the implication of GST, the multiplicity of the taxes will be removed and it would increase the tax ways with continuation of exemption and concession for national interest.

X. IMPACT ON SMALL ENTERPRISES

In the small- scale enterprises there are three categories: -

1. Those below threshold need not to register for the GST.
2. Those between threshold and composition turnover will have the option to pay turn - based tax.
3. Those above threshold limit will need to be within framework of GST. Manufacturers, traders will have to pay less tax with the implication of GST

XI. DELEGATION OF POWERS

The power delegated under section 171 of the Central GST Act is a permissible delegation

which means those powers which can be delegated by parliament come into the preview of the Doctrine of permissible limits.

Delegated delegation is also known as bye laws and the power to make 'bye-laws' is conferred on local authorities and statutory or other undertakings "for regulating the conduct of persons within their areas or resorting to their undertaking". If the rules and regulations are also made under the enabling Act, the bye- laws are generally made subordinate to them.

Apart from the pure administrative function executive also performs legislative and the judicial function also. The doctrine of permissible limits talks about those limitations of a legislation to which the power can be delegated.

As well as the power delegated under section 171 of this Act necessary for fulfilment of object which is provided under Act, the clear principles mention and offered sufficient guidance so it would not be excessive delegation.

(A) Harishakar Bagla V/S State Of Madhya Pradesh (1955 Scr 313)

In this case, the Supreme Court was satisfied that it laid a clear principle and offered sufficient guidance, as the section provided that the power conferred therein was to be exercised "for maintain or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices.

So, the power provided under the Act is necessary for fairness and without bye- laws the administrative authority not able to work properly, it is also come into preview or permissible limits so how can we say that it is excessive delegation. The power of appointment of examination authority in hand of central government not in hand of bureaucracy.

The GST law contains a unique provision on anti-profiteering measure as a deterrent for trade and industry to enjoy unjust enrichment in terms of profit arising out of implementation of goods and services Tax in India, i.e., anti- profiteering measure would obligate the business to pass on the cost benefit arising out of GST implementation to their customers.

The object of Anti-Profiteering measure section 171 provides that it is mandatory to pass on the benefit due to reduction in rate of tax or from input tax credit to the consumer by way of commensurate reduction in prices.

The power has been given to central Govt. to constitute an authority to oversee whether the commensurate benefit of allowance of input tax credit or reduction in the tax rates have been passed on to the final customers.

(B) Kishan Prakash Sharma v. Union of India (2001(3) TMI 1018 SC)

The Supreme Court laid down the test of constitutional limit of delegated legislation. The Supreme Court in this case held that the legislature must set the limits of the power delegated by declaring the policy of the law and by laying down standards for guidance of those on whom the power to execute the law is conferred. Thus, the question is whether any particular legislation suffers from excessive delegation and in ascertaining the same, the provisions of the statute including its preamble, and the facts and circumstances in the background of which the statute is enacted. The history of the legislation, the complexity of the problems which a modern state has to face, will have to be taken note of and if, on a liberal construction given to a statute, a legislative policy and guidelines for its execution are brought out.

While the government can justify various anti-profiteering measures based on socialist principles, the rules and methodology need to be clearly stated.

Nearly 70 years after B.R. Ambedkar and K.I. Shah debated over whether the Constitution should include the word 'socialist'-the former was in favour of a society being organised by the people of India, according to the time and circumstances anti-profiteering provisions present in the country's plan to overhaul a broken tax system remind us of this very debate.

The primary objective of the goods and services tax (GST) is to remove, the cascading effect of existing taxes, which is tax on tax. The core principle of the GST is based on the fact that the tax on any input or input service utilized during the process of developing a product or a service would have to be offset against the subsequent output tax paid. The seamless credit system has been formulated keeping the consumer in mind and removes inefficiencies in the supply chain however, what if an entity in the supply chain for instance, a wholesaler, decides to take benefit of reduced tax rate and not pass on such benefit to a consumer by hiking- up his profit?

To counter such undue benefit, the Government inserted section 171 into the Central Goods and Services Tax Act. Section 171 of the CGST specifies that any benefit availed through extra input tax credit or a reduction in rate of tax on any supply of goods or services has to be passed on to the consumer commensurately.

In INC's primary objection to anti- profiteering lies around the fact that it adds an additional compliance burden and that more importantly, a reduction in rate of taxes of input or input services need not necessarily result in a proportionate reduction in the final price of a product or service.

(C) Garewal v. State Of Punjab (1956 SC 512)

Section 3 of the All- India Services Act, 1951, which gave power to the Central Government

to frame rules for the regulation or recruitment and the condition of service was upheld. In this case, the court found the policy and guidance of the Act in the then existing rules which were continued by the Act, although power was given to vary or amend then by now rules framed under the Act. It was held that the procedure prescribed in the Act for making of rules that they were to be laid on the table of parliament before they could come into force and were open to modification on a motion made in parliament, was sufficient control over the delegate and the Act did not suffer from excessive delegation.

(D) Banarsidas v. State of Madhya Pradesh (1958 SC 909, p.913)

It was said that although the power to tax is a well-recognized legislative power, ample latitude has been allowed to the legislature to leave to a delegate the power to work out to details of a tax policy. In upholding a power delegated to the state government for amending the schedule relating to exemptions in a sales tax legislation Justice Venkataramaaiyar observed:

“Now the authorities are clear that it is not unconstitutional for the legislature to leave it to the executive to determine details relating to the working of taxation laws, such as the selection of persons on whom the tax is to be laid, the rate at which it is to be charged in respect of different classes of goods and the like.”

XII. CONSTITUTION (ONE HUNDRED AND FIRST AMENDMENT) ACT, 2017 & THE FEDERAL SETUP OF THE CONSTITUTION

The federalism – Sir Ivor Jennings was of the view that India has a federation with a strong centralizing policy.

In the other words, of D.D Basu, the constitution of India is neither purely federal nor unitary, but it is a combination of both. It is often defined to be quasi-federal in Nature.

No doubt, India has a political and constitutional structure where federal features are evident, there is sharing of power between the Centre and the States but the Constitution provides Central Government with supreme powers and concentrates administrative and financial powers completely in its hands.

In **Prakash Karat “Federalism and the political system in India”** Seems there was some deficiency which made the constitutional framers to incorporate features which worked against the federal principle. Reiterating some Central Government’s powers, it has the power to recognize the states through parliament; Governors appointed by the Centre can withhold assent to legislation passed by the state; Parliament can override the legislations passed by the state; Parliament can override the legislations passed by the states for the reasons of national

interest; Governors have a role in the formation of state government and the Centre is vested with the Central authority. Fortunately, the reviewing power of judiciary of Centre-State relation exists as that in federal features which are circumscribed with a built-in unitary core.

West Bengal V. Union of India (1963 AIR, 1241) , this case dealt with the issue of exercise of sovereign powers by the states. The Supreme Court in this case held that the Constitution does not promote a principle of absolute federalism. The court further outlined four characteristics highlighting the fact that the Indian Constitution is not a “traditional federal Constitution”.

The India Constitution is a constitution sui generis- On one hand, the constitution contains features which are of high importance for a federal arrangement, at the same time it contains provisions which fight for a strong Centre, thus making it quasi-federal in nature. The fact to be appreciated here is that these dual federalism provisions were deliberately incorporated to best fit a polyglot country like India.

The Constitution (One Hundred and First Amendment) Act ,2017 brings the following notable amendment in the Constitution of India:

- The residuary power of legislation of Parliament under article 248 is now subject to article 246A.
- Article 249 has been changed so that if 2/3rd majority resolution is passed by Rajya Sabha, the Parliament will have powers to make necessary laws with respect to GST in national interest.
- Article 250 has been amended so that parliament will have powers to make laws related to GST during emergency period.
- Article 268 has been amended so that excise duty on medicinal and toilet preparation will be omitted from the state list and will be subsumed in GST.
- Article 268 has been repealed so now service tax is subsumed in GST.
- Article 269 would empower the parliament to make GST related laws for inter-state trade/commerce.

XIII. COMPENSATION TO STATES FOR REVENUE LOSS

Further, the amendment also provided that Parliament shall, by law, on the recommendation by Goods and Service Tax Council, provide compensation to the states for loss of revenue arising on account of implementation of the Goods and Service tax for a period of five years.

The soon to be implemented Goods and Services Tax (GST) is expected to harmonize indirect taxes & build a unified Indian tax structure. Currently there are myriad indirect taxes that are levied and collected by the union and state Government since each state government has power to decide its own indirect tax policy (rates, exemption, limits, etc.). A commodity, thus is priced differently across states. This is seen to be inconvenient for traders involved in Inter-state transactions and business concerns based across multiple States. GST shall harmonize all these indirect taxes and replace them with a uniform GST rate. The Nation 's uniformity directly linked GST.

It has been argued over and over again that it will subsume State Value Added Tax, Entertainment Tax, Central Sales tax, Octroi and Entry tax, Purchase tax, Luxury tax, Taxes on Lottery, betting and gambling; and state cesses and surcharges in so far as they relate to supply of goods and services. In this way, even local bodies will be affected by the GST and thus, it allegedly attacks on the federal structure of our country. So, the by the 101st Constitution Amendment Act the Sixth Schedule has been amended to give power to the District Councils to levy and collect taxes on entertainment and amusements (para8, sub-para3). From whose point of view, it is attacking the federal set up of India but actually it will broaden the tax base, increase tax compliance, and reduce economic distortions caused by inter-state variations in taxes. There is no doubt that the practise of levying excise duties by the Centre, Sales taxes by the States and octroi by local bodies has made the tax system absolutely non-Transparent.

XIV. POLITICAL AUTONOMY OF THE STATES

Even the political ego of the states remains at place with GST. Owing to our federal structure, GST is dual, levied and managed by different administration. Centre would levy & collect Central Goods and service Tax (CGST) & state would levy & collect the State Goods and services Tax (SGST) on all transaction of the states. And the rates of (CGST) & (SGST) will be administered by the GST Council which is neither an agent of state nor of Centre.

Not only this, but also the loss of revenue will be compensated to the states for next five years. Alcoholic liquor for human consumption is exempt from GST and some certain petroleum products are also exempt as given in the fact sheet of fact of the case till the Council decides on them and number doubt can be passed to the fact that Liquor sale have always led to largest revenue collection by states. Along with this, the capacity of states to generate revenue related to non - goods & non -serious cannot be underestimated.

XV. COOPERATIVE FEDERALISM

Another factor which may develop through One Hundred and First amendment Act 2017 brings out Cooperative federalism though Indian states have achieved political integration in 1950's with the integration of Princely states in Indian Union , Economic Integration was still missing .Passing of GST is a shining example of Cooperative federalism where states & centre have Ceded their power to tax & come up with a single tax system to realize the dream of on Economic India with 'one market' Thus GST once again has shown Unity in Diversity of Indian Society.

“Cooperative federalism also known as marble -cake federalism, is a concept of federalism in which national, state & local government interact cooperatively & collectively to solve common problems, rather than making policies separately but more or less equally or clashing over a policy in a system dominated by the National Government.”

In *King v/s Smith* [392 U.S. 309 (1968)], and a series of subsequent AFDC Cases. More recently, the phrase has been used in connection with other federal programs build on the Cooperative federalism. As India takes great pride in describing itself as the worlds- largest democracy. However, this democracy is meaningful significantly because it is encapsulated in a federal structure. While democracy represent the majority opinion, federalism accommodates& links of social justice. This- ensures harmonious functioning of entire system. Federalism & Cultural & Ethnic purism have given the country 's political system great flexibility, and therefore the capacity to withstand stress though accommodation. However, continuation of the same requires not simply federalism but Cooperative & Constructive federalism.

The State of Rajasthan v/s UOI (1977 AIR 1361) it was quoted that the according to Granville Austin, the Constitution of India was perhaps the first Constituent body to embrace from the start what A.H Birch and others have called “Cooperative federalism”. Chief Justice Beg called the constitution ‘amphibian’ if our constitution creates a Central government which is ‘amphibian’ in the sense that it can move either on the federal or on the unitary plane, according to the needs of the situation and circumstances of a case “**State of Haryana v/s state of Punjab** (JT 2004(5) SC 72, 2004), the word “Semi –federal” was used. In **Shamsher Singh v/s state of Punjab** (AIR, 1974 SC 2192), the Constitution was called “more unitary than federal”.

Under Article 279A -The GST Council will consist of the Union Finance Minister (as Chairman), the Union Minister of State in charge of Revenue or Finance or Taxation or any other Minister, nominated by each state government thus, emphasising the fact that states' say

and opinions will be catered to and federal essence of the country has been duly preserved.

All decision of the GST Council will be made by three fourths majority of the votes cast; the Centre shall have one-third of the vote cast., and the states together shall have two-third of the votes cast.

The GST council with representation from both Centre as well as the states is not a body of Union but an independent body in itself. Further, both, Parliament and state legislatures will have the power to make laws on the taxation of Goods and Service Tax (Art.246A). A law made by Parliament in relation to GST will not override a state law on GST. This again emphasises on the need of not worrying about federalism being undermined.

Under Article 246A (2)- Though the central government will have the exclusive power to levy and collect GST in the course of interstate trade or commerce, or imports known as Integrated GST(IGST), but based on the recommendation of the GST Council which is an independent body and a pop out the cooperative federalism.

Overlapping taxes can rob the tax system of simplicity and transparency, alter relative prices in unintended ways, make tax crediting on exports difficult, cause inter-state tax competition and tax exportation to result in inequitable resources flows.

The main aim of fiscal federalism enshrined in Article 301 of the Constitution is the free and unified movement of trade, commerce and intercourse throughout the territory of India. Article 268 and 269 provide for the levy and collection of certain taxes by the Centre, but the revenues are to be entirely assigned to the States and that is what GST has aimed at. The Pith and Substance of Fiscal federalism lies in cooperation, to coordinate with the policies of all levels of the government.

GST a shining example of cooperative federalism. In our federal system, both state and centre have power to impose taxes. The division of such taxation power is given in union and state list under 7th schedule. With the spirit of Cooperative federalism, under GST, both centre and state have given up taxation powers. The constitution of India has also been amended accordingly the fundamental reordering of federal fiscal relations for the cause of common good shows the strength and resolve of the federal structure. The convergence for the cause of larger public good has been made under the GST regime the centre and state will act on the recommendation of the GST Council.

- **Harmonization of GST Laws across the country:** Even though Centre and each state legislature have passed their own GST Acts, they all based on the Model GST law drafted jointly by the Centre & and the States.

- **Common Compliance Mechanism** – GSTN, a non-for-profit, non-governmental company promoted jointly by the central and state government, is the common compliance portal and the tax players shall interface with all state as well as centre through this portal.
- **Joint Capacity Building Efforts** – Joint capacity Building Efforts by Centre as well as all the states are being organised wherein for the first time the training of officers of Centre and state being conducted under auspices of National Academy of Customs, Indirect Taxes and Narcotics (NACIN). NACIN has formed a joint coordination committee in each state comprising of Centre, State and NACIN officers for overseeing capacity Building efforts.
- **Joint Trade Awareness and Outreach Efforts:** Centre along with the state Government Officials has been organising Joint Trade Awareness & Outreach programs wherein first time the officers came together to create GST awareness among Trade and other stakeholders. Cross empowerment of officers of centre as well States: Though GST will be jointly administered by Centre and State, for ensuring ease of doing business, but the individual taxpayer will have a single interface with only one Tax Authority either Centre or State.
- **Joint Implementation Committees:** In order to ensure smooth rollout of GST, the GST Council has formed a three- tier structure consisting of: the Office of Revenue Secretary, GST implementation Committee (GIC) and eight standing Committees and other also all of them for ensuring effective implementation of GST. Indeed, GST in India in its conception, enactment and implementation is an example of real Co-operative federalism at work, in tune with the unique character of India– ‘Unity in Diversity’.
- **Economic Integration**-Under GST regime the entire country will become one market and it will be an economic integration of India. India would become one uniform market with seamless transfer of goods and services.

GST is a great example of Co-operative federalism and it must be hailed instead of opposing for it opens the path of development for the country. However, Constitution still provides room for states to levy tariff and non-tariff barriers. Article 302 gives Parliament the power to restrict free trade between and within states on ground of public interest. Similarly, 304(b) allows state legislatures to restrict trade and commerce on ground of public interest The gist of these provision is that both Centre and State have considerable freedom to restrict trade and

commerce. So even the distribution of power is also there some limitation also present and but nothing can't exceed the ambit of the Constitution (One Hundred and first Amendment) Act, 2017 emphasis the Economic Integration and works only for the benefit for the consumers which is people of the nation ultimately the amendment enshrined the nation economy and welfare for the people of the nation which is first priority of any Government and it can done by both level of Government through Cooperative and Constructive federalism. The new chapter of Cooperation has been added within this diversity through cooperation between Centre and State which economically integrates India and strengthen its unity so The Constitution (One Hundred and First Amendment) Act, 2017 is not against the federal setup of India and therefore constitutionally valid in nature.
