

About the Central Goods and Services Tax (CGST)

Under GST, CGST is a tax levied on Intra State supplies of both goods and services by the Central Government and will be governed by the CGST Act. SGST will also be levied on the same Intra State supply but will be governed by the State Government.

CGST – Central Goods and Services Tax

Goods and Services Tax was introduced in India several times by different governments before it was actually implemented from July 1, 2017, onwards. The idea of bringing about GST was to have 'One Nation One Tax'. GST subsumed all the taxes that prevailed in the country earlier, and are now categorised under:-

- **Central Goods and Services Tax:** Central Goods and Services Tax or (CGST) subsumed all the taxes levied by the central government. For example central excise duty, central surcharges and cess and other such central indirect taxes that were earlier applicable.
- **State Goods and Services Tax:** State Goods and Services Tax or (SGST) subsumes all taxes levied by the state government, that's state indirect taxes. For example VAT, sales tax, state cesses and surcharges, etc.
- **Integrated Goods and Services Tax:** Integrated Goods and Services Tax or (IGST) levied on interstate movement of good and services

There are few products that still do not come under the ambit of GST and sales tax/VAT are still applicable on them.

For example alcohol, petrol, diesel, natural gas, airline fuel and a few others. Examples of services where GST is not applicable are wages and salary, electricity and a few others. While the government wants to limit the price of alcohol and limit consumption and hence alcohol has not been brought under the GST ambit, petrol continues to bring high amounts of revenue for the states.