

## A Revolutionary Reform for Indirect Tax with an Analysis of The GST Constitutional [One hundred and first Amendment] Act, 2016

VartikaSahu\*

Somesh Kumar Shukla

### Abstract

In this present article, I have analysed inside the GST Constitutional [101<sup>st</sup> Amendment] Act 2016, various provisions, which contains 20 amendments relating to this constitutional amendment act. Since the beginning of the new Millennium, India has repeatedly flirted with the new idea of imposing a nationwide Goods and Services Tax (GST). The GST Constitutional [101<sup>st</sup> Amendment] Bill passed by the Lower House (Lok Sabha) in May 2015 and passed by the Upper House (Rajya Sabha) on August 3, 2016, with further amendments. On August 8, 2016, the Lok Sabha unanimously approved the amendments, meaning the bills are aligned and the way is clear for a complete reform of indirect taxation in India. On September 8, 2016 the GST Constitutional [122<sup>nd</sup>] Bill, 2014 became the GST [101<sup>st</sup>] Act, 2016 when the president assented the provisions of bill. With the force of the empowering constitutional amendment behind it, a national GST has been implemented throughout India (except J&K) from July 1, 2017. It is considered as a historic achievement, contains the amendments which are essential for the implementation of GST Regime. It subsumed various indirect taxes levied by Union and State Governments into GST thereby doing away the cascading effect of taxes and providing a one Indian market for Goods and Services. The object to bring about these amendments in the Constitution is to confer simultaneous power on Parliament and State legislatures to make laws for levying GST simultaneously on every transaction of supply of Goods, or of Services or both.

**Keywords:** Indirect tax, Goods and Services Tax, Constitutional [101<sup>ST</sup> Amendment] Act, 2016.

**JEL Classification:** K34

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\*Corresponding author: VartikaSahu is a Research Scholar at Department of Commerce, University of Lucknow, Lucknow, India - 226007

Email: [vartika007ambitious@gmail.com](mailto:vartika007ambitious@gmail.com)

Somesh Kumar Shukla working as a full Professor at Department of Commerce and Dean of Faculty of Commerce, University of Lucknow, Lucknow, India- 226007

Email: [Shukla\\_sk@lkouniv.ac.in](mailto:Shukla_sk@lkouniv.ac.in)

## 1 Introduction

The Constitution of India is the seed of the tree which is generally known as Independent India. The power to levy taxes and duties is apportioned between the Union Government and the State Government in accordance with the provision of the Indian Constitution. The Constitution is the basis of all the legal decision which had already taken or will be taken in the future by any autonomy including central or state government. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacturer, sale, consumption of goods and services throughout India (**except J&K**) to replace taxes levied by the Central and State Government. It was introduced as the Constitution [101<sup>st</sup> Amendment] Act, 2016, following the passage of Constitution [122<sup>nd</sup> Amendment] Bill, 2014. The GST is governed by GST council and its chairman is union finance minister of India. Presently, **Mr. ArunJaitely**, Union Finance Minister is the **chairperson** of this council.

The GST constitutional [101<sup>st</sup> Amendment] Act, 2016 contains the provisions, which are necessary for the implementation of Goods and Services Tax regime in India. The government wants to come out with the GST regime in India and to make provision for that this is very important act it is the essential one. The act brings amendments in the constitution by the law makers of India. Through amending the constitution simultaneous powers are conferred on Parliament and State legislatures whereby will be able to make laws for levying GST simultaneously on all transaction of supply of goods, or of services, or both.

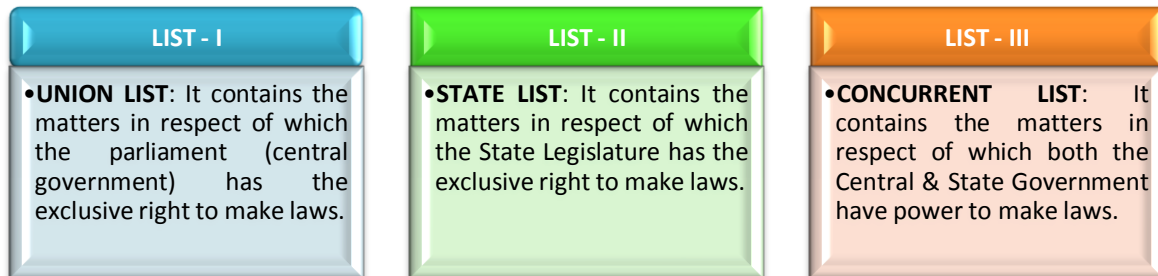
The former president of India **Shri PranabMukherji** on September 8, 2016, assented the **GST Constitutional [122<sup>nd</sup> Amendment] Bill, 2014** which became the **GST Constitutional [101<sup>st</sup> Amendment] Act, 2016** by making special provisions with respect to Goods and Services Tax. It considered as one of the historic milestone achievement, which contains **20 amendments** out of the same, one section, i.e., **section 12 pertaining to GST Council** came into effect from 12<sup>th</sup> September, 2016. The remaining 19 sections came into effect from 16<sup>th</sup> September, 2016. The act was notified by the Presidential order of Sept. 15, 2016 has confirmed the constitution of GST Council, which is provided in section 12 of this act. This act is a very important piece of legislation so far Indian economy is concerned.

Dr. B.R. Ambedkar once said “I feel that the constitution is workable, it is flexible and it is strong enough to hold the country together both in peacetime and in wartime. Indeed, if I may say so, if the things goes wrong under the new constitution, the reason will not be that we had a bad constitution. What we will have to say is the man was vile.” As said, after more than 60years from the inception of the Indian Constitution, it has proved to be strong enough to hold the country in every versatile condition.

## 2 The Legal Mechanism before Amendment

India as world's one of the biggest democratic country. Before GST [101<sup>st</sup> Amendment] Act, 2016 to the constitution, there were **448 articles, 12 schedules, 5 appendices**. As per **Article 1**, India has a three-tier federal structure, comprising the Union Government, the State Governments and the Local Government for levy and collection of various taxes.

- **Union list,**
- **States list and**
- **Concurrent list.**<sup>1</sup>



Regarding power to levy taxation in India, the followings entries have been made efficacious by the Government.

**Table 1:** Through table 1 we are going to discuss the various provisions relating to this constitutional amendment act.

Section No.	Status	Article of Constitution impacted	Description
1	-	-	Short title and commencement
2	New	246A	Special Provision w.r.t. GST
3	Amendment	248	Residuary powers of legislation
4	Amendment	249	Power of Parliament to legislate w.r.t. a matter in the State list in the national interest
5	Amendment	250	Power of Parliament to legislate w.r.t. any matter in the State List if a Proclamation of Emergency is in operation
6	Amendment	268	Duties levied by the Union but collected and appropriated by States

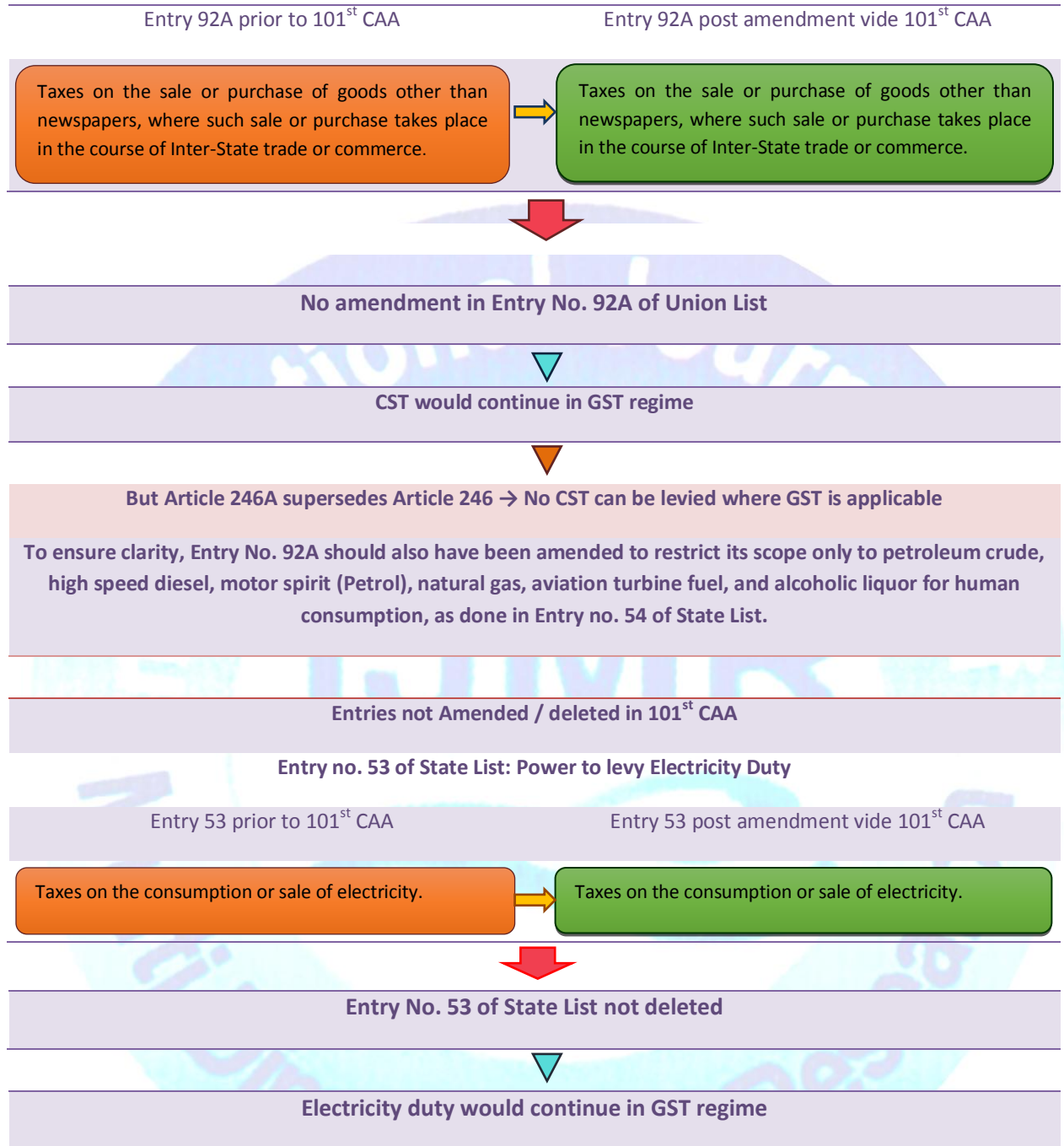
1. Schedule VII (List I, II, III), Constitution of India, 1950.

7	Omitted	268A	Service Tax levied by Union but collected and appropriated by Union & States
8	Amendment	269	Taxes levied & collected by Union but assigned to the States
9	New	269A	Levy and collection of GST in course of inter-State trade or commerce
10	Amendment	270	Tax levied & distributed between the Union & the States
11	Amendment	271	Surcharge on certain duties & taxes for the purposes of the Union
12	New	279A	Goods and Services Tax Council
13	Amendment	286	Restrictions as to imposition of tax on the sale or purchase of Goods
14	Amendment	366	Definitions [ <b>3 new sub clauses (12A), (26A) &amp; (26B) inserted</b> ]
15	Amendment	368	Power of Parliament to amend the Constitution & Procedure therefor
16	Amendment	6 <sup>th</sup> Schedule	Administration of Tribal Areas in the States of Assam, Meghalaya, Tripura & Mizoram
17	Amendment	7 <sup>th</sup> Schedule	Union, State & Concurrent list referred in Article 246
18	New		Compensation to States for loss of revenue on account of introduction of goods and services tax
19	New		Transitional Provisions
20	New		Power of President to remove difficulties

**Diagram 1:** Entries not amended / deleted as well

**Entries not Amended / deleted in 101<sup>st</sup> CAA**

**Entry no. 92A of Union List: Power to levy CST on Inter-State trade or commerce**

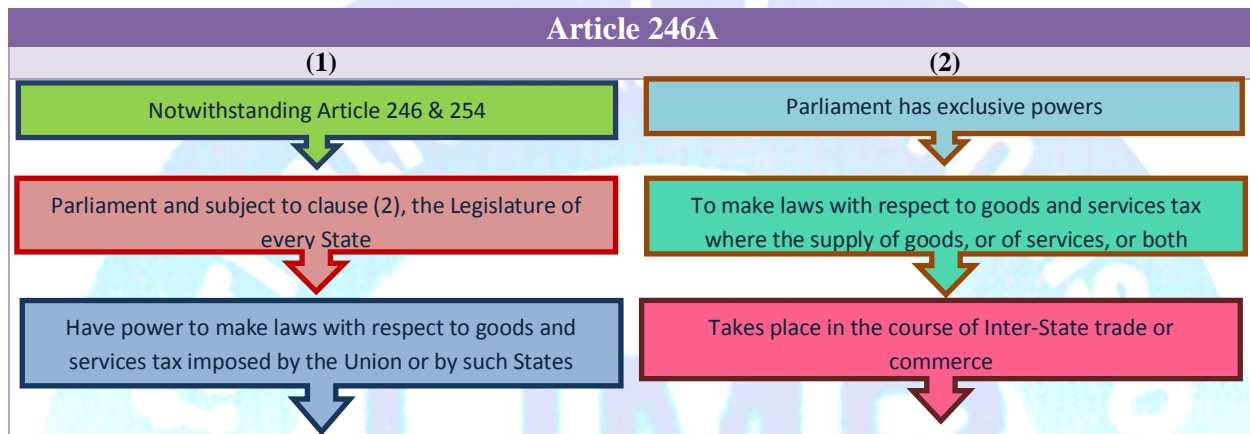


### 3 Analysis of the Constitution [101<sup>st</sup> Amendment] Act, 2016

**3.1 Short title and commencement [Section 1]:** This Act may be called the Constitution [101<sup>st</sup> Amendment] Act, 2016. It has come into force from July 1, 2017 which was notified by the Official Gazette of the Central Government. This Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the commencement of that provision.

**3.2 Insertion of new Article 246A<sup>2</sup>[Section 2]:** It is a special provision with respect to goods and services, which makes enabling provisions for the Union and States with respect to the GST legislation. As per these provisions, the Central GST (CGST) and State GST (SGST) Act shall be elected by the Union Government and Government of States respectively and as regards Inter-State GST (IGST) Act shall be elected by the Union Government only.

**Diagram 2:** Insertion of new article 246A



**Analysis & Comments:** This is the most vital amendment in order to bring GST into reality. Through this new article which has been introduced, while overriding the provisions contained in **Articles 246<sup>3</sup>** and **254<sup>4</sup>** deal with the grant of powers to the Union and the State Governments to impose tax with respect to GST. But in case of Inter-State trade or commerce relating to supply of goods or of services or both, the Union shall have exclusive powers to frame relevant laws. Therefore, in case of such supplies being Intra-State, both Union as well as the State Government shall have the powers to legislate.

2. Article 246A to keep Petroleum and Petroleum products out of the GST net until recommended by the GST Council. The said products comprise of (a) petroleum crude, (b) high speed diesel, (c) motor spirit (commonly known as petrol), (d) natural gas, and (e) aviation turbine fuel, also referred to as goods in clause (5) of article 279A. Therefore, till such time, the said products are brought into the tax net by the GST Council, the previous indirect taxes like excise, sales tax/VAT, CST will continue to be levied on the same. Such goods are one of the major sources of revenue for States and therefore the call for bringing them into the GST net shall have been left to be exercised by representatives of Unions and the States through the GST Council.

3. Article 246 of the Constitution embodies the subject matter of laws made by the Parliament and by the States with particular reference to the Union, State & Concurrent Lists.

4. Article 254 provides for the provisions relating to inconsistency between laws made by Parliament and those made by States and spells out the supremacy of Parliament to enact any law in case of any provision of law made by States is repugnant to any provisions of law made by the Parliament and also lays down the solution to such inconsistency, if any.

**3.3 Amendment of Article 248, 249 and 250 [Section 3 to 5]:** They simply make certain consequential amendments to Article 248, 249 and 250 due to the amendments made through this constitutional amendment act.

**Article 248**, deals with residuary powers of the Legislation.

**Article 249**, deals with power of Parliament to legislate with respect to a matter in the State list in the national interest.

**Article 250**, deals with Power of Parliament to legislate with respect to any matter in the State List when Proclamation of Emergency is in operation.

#### **Analysis & Comments:**

**Article 248**, which deals with the residuary powers of the legislation. As per the said article, only Parliament has exclusive powers to make laws on the matters not mentioned in the State and Concurrent Lists. But now the amendment prefixes the words “**Subject to Article 246A**” to the existing article thereby making it clear that the Parliament alone does not have the power to frame laws in respect to GST.

**Article 249**, provides a procedure, if it is imperative in the national interest by which without a formal amendment in the Constitution, it can assume legislative authority over a subject mentioned in the State List. This power can be exercised if a resolution is passed by two-third majority of the GST Council of States present and voting. This article has enclosed the words GST to empower Parliament also to make laws in respect of GST in case of national interest.

**Article 250**, provides for Parliament’s absolute power to make laws for the whole or any part of the territory of India with respect to a matter enumerated in the State List during proclamation of emergency. The amendment has enclosed the words goods and services tax in the existing article so that Parliament can also make laws with respect to GST during the emergency.

**3.4 Amendment in Article 268 [Section 6]:** It omits the excise duties on medicinal and toilet preparations from the purview of the power of the Central government due to proposed imposition of goods and services tax on goods and services.

**Analysis & Comments:** Article 268, which was provided for duties levied by the Union but collected and appropriated by the States. The amendment has deleted the words “**and such duties of excise on medicinal and toilet preparations**” from the article. This shall pave way for such duties to get subsumed into GST. But Stamp Duty is not subsumed into GST.

**3.5 Omission of Article 268A [Section 7]:** It omits this Article that empowered the Central Government to levy taxes on services because services tax has been brought under GST.

**3.6 Amendment in Article 269 [Section 8]:** It amends this article, which provides for the taxes levied and collected by the Union but assigned to the States. The present amendment has been made consequential to the **insertion of new article 269A** which provides for levy of goods and services tax on supplies in the course of inter-state trade or commerce.

**Analysis & Comments:** Article 269 earlier provided power to the Central Government to levy taxes on sale or purchase of goods and taxes on consignment of goods with respect to Inter-State trade or commerce. Now, the amendment restricts the applicability of the article only on those taxes which are not mentioned in new article 269A.

**3.7 Insertion of New Article 269A [Section 9]:** With the insertion of new Article, provides for goods and services tax on supplies in the course of Inter-State trade or commerce which shall be levied and collected by the Central Government. This shall be apportioned between the Union and the States Government and the ratio will be fixed as per the recommendations of the GST Council. So the portion which will be given to the States will not be forming part of the consolidated fund of India.

It further provides that Parliament may formulate the principles for determining the place of supply, and when a supply of goods, or of services, or both takes place in the course of inter-state trade or commerce. So, this new article makes additional provisions related to making principles or policy.

**Analysis & Comments:** The newly inserted **Article 269A** provides that GST for supplies in the course of inter-State trade or commerce shall be levied and collected by the Central Government and shall be shared between the Union and the States on the basis recommended by the GST Council. For the purpose of the aforesaid, supply of goods or services in the course of import shall be considered as deemed supplies in the course of inter-State trade or commerce. Further, the principles determining the place of supply and when a supply of goods or services, or both take place in the course of inter-State trade or commerce shall be formulated by the Parliament.

**3.8 Amendment in Article 270 [Section 10]:** It amends Article 270 which provides that goods and services tax levied and collected by the Government of India. Shall also be distributed.

**Analysis & Comments:** Article 270 is amended to remove reference of Article 268A and include reference to Article 269A with an exception to taxes levied and collected by Union and distributed between States in terms of Articles 268, 269 and 269A of the Constitution. No amount under IGST can now devolve to the States except as apportioned under Article 269A(1) on the basis of the recommendation of the GST Council. Newly inserted clause provide that GST levied and collected by Government of India, over and above the IGST under Article 269A(1) shall also be distributed amongst the Union and the States as per mechanism prescribed by the Finance Commission.

**3.9 Amendment in Article 271 [Section 11]:** By amending Article 271, it puts restrictions on the powers of Parliament to levy a surcharge on certain duties and taxes for on the GST.



**Analysis & Comments:** Article 271 has been amended to restrict the power of Parliament to increase the rate of GST by a surcharge for the purpose of Union. In other words, the Parliament does not have any power to impose any surcharge on GST. It may be noted that the increase in taxes under the GST regime shall be decided by the GST Council in terms of the provisions under Article 279A of the Constitution.

**3.10 Insertion of New Article 279A [Section 12]:** By inserting Article 279A, it makes provision for GST Council, which shall consist of the following members, namely:

- a) Chairperson: the Union Finance Minister
- b) Member: the Union Minister of State in charge of Revenue or Finance
- c) Members: the Minister in charge of Finance or Taxation or any other Minister nominated by each State Government.

This council will be having represented from the Central Government and representatives from the States Government.

#### Functions of GST Council

- a) The taxes, cesses and surcharges levied by the Union, the State and the local bodies which may be subsumed in the goods and services tax;
- b) The goods and services that may be subjected to, or exempted from the goods and services tax;
- c) Model GST laws, principles of levy, apportionment of Integrated Goods and Services Tax and the principles that govern the place of supply;
- d) The threshold limit of turnover below which goods and services may be exempted from goods and services tax;
- e) The rates including floor rates with bands of goods and services tax;
- f) Any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;
- g) Special provision with respect to the States of Arunachal Pradesh, Assam, J&K, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand; and
- h) Any other matters relating to the goods and services tax, as the Council may decide.

**Analysis & Comments:** The GST Council is supposedly India's most powerful federal body that oversees and administers the GST. In terms of the Amendment Act, it was required to be formed by the President of India within 60 days of the Act coming into force. The Act got the presidential assent on September 8, 2016. The Government thereafter acted very swiftly. It notified the provisions relating to GST Council within 4 days i.e. on September 12, 2016. Subsequently within 3 days, the President of India vide an order dated September 15, 2016 announced the formation of the GST Council. While the constitution, role, functions, voting mechanism and powers as laid down in **Article 279A** relating to the GST Council is self-explanatory, it may be noted that although the said Article talks of a **Harmonized Structure for GST**, the key and critical decisions which shall be taken in GST Council on important aspects as specified in

clause (4) is only recommendatory in nature. In other words, such decisions shall not be binding on the Union and the States.

The recommendatory nature of powers vested with GST Council may be quite difficult because in India, different States are governed by different political parties and under such circumstances, congruence on various issues under the GST regime because of varied political considerations and preferences could be an uphill task.

Clause (11) of Article 279A also provides that GST Council shall establish a mechanism to adjudicate disputes between the Governments, if any relating to the recommendations on GST by the council or its implementation thereof.

**3.11 Amendment in Article 286 [Section 13]:** It is a consequential amendment in Article 286. It deals with restriction as to imposition of tax on the sale or purchase of goods or of services or both.

1. No law of a State shall impose, or authorize for imposition of, a tax on<sup>5</sup> the supply of goods or services or both, where such supply takes place:

- a) Outside the State; or
- b) In the course of the imports of goods or services or both into, or exports of the goods or services or both out of, the territory of India.

2. Parliament may by law formulate principles for determining when<sup>6</sup> supply of goods or of services or both, where such supply takes place in any of the ways mentioned in clause (1) of this article.

**Analysis & Comments:** This amendment provides restrictions on States to impose tax on sale or purchase of goods where such sale or purchase takes place outside the State or in the course of the import or export of the goods. Further, the Parliament reserves its power to formulate principles as to when a supply may be said to be outside the State or in course of import or export. It may also be noted that for goods which are kept outside the purview of GST, the taxable event shall still be sale or purchase instead of supply.

**3.12 Amendment in Article 366 [Section 14]:** As per the provisions, only alcoholic liquor for human consumption has been excluded from the ambit of GST. Other forms of alcohol for industrial use and medicinal and toilet preparation containing alcohol falling in the taxing domain of the Central Government have been subsumed in GST.

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5. The sale or purchase of goods where such sale or purchase takes place.

6. The Sale or purchase of goods takes place.

**3.13 Amendment in Article 368 [Section 15]:** It amends article 368 and provides any modification in GST Council shall require confirmation by the legislatures of one-half of the States.

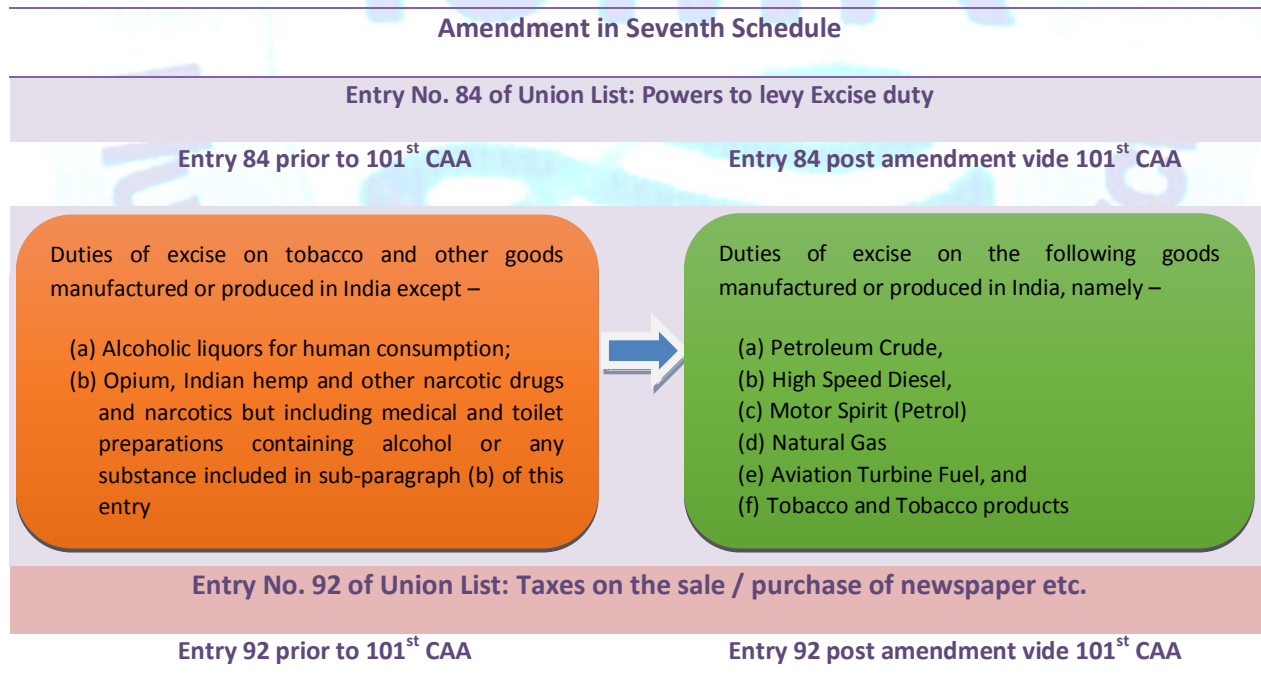
**3.14 Amendment of 6<sup>th</sup> Schedule [Section 16]:** It empowers the district council for an autonomous district to have the power to levy and collect taxes on entertainment and amusements within such States (Assam, Meghalaya, Tripura & Mizoram)

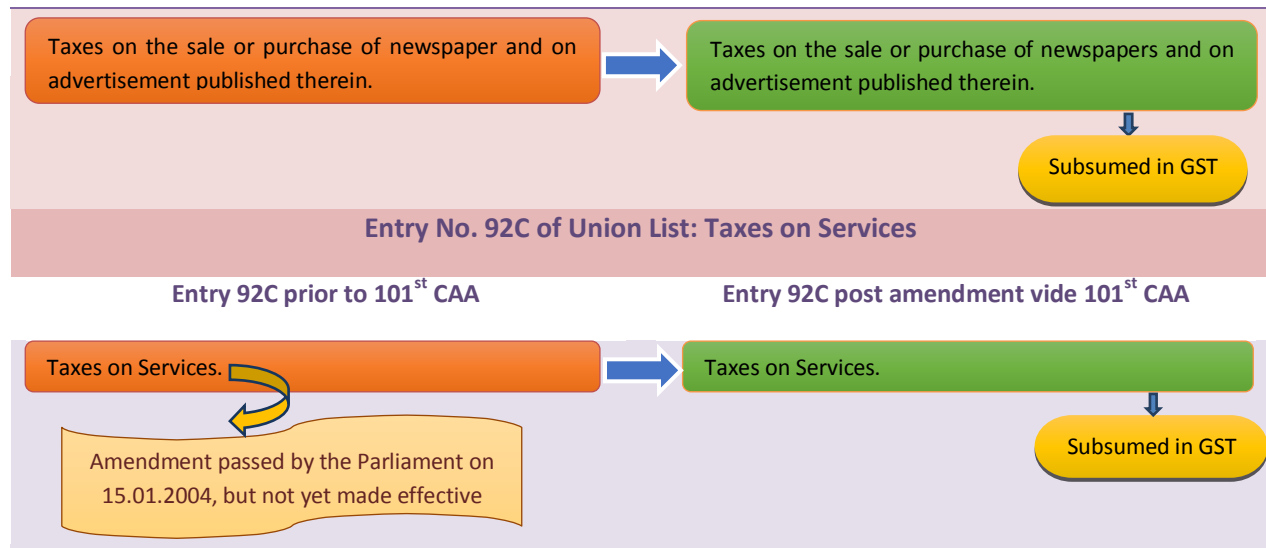
**Analysis & Comments:** The 6<sup>th</sup> Schedule provisions as to the administration of tribal areas in the four North East States comprising of Assam, Meghalaya, Tripura and Mizoram. These tribes are treated differently by the Constitution by providing them autonomy for self-governance because they have not reached their gratifying level of life and ways of living.

Even though these tribal areas fall within the executive authority of their respective States, provision has been made for the creation of the District Councils and Regional Councils for the exercise of certain legislative and judicial powers for such areas. Such councils are already empowered to assess and collect certain specified taxes. Now the amendment also provides for levy and collection of taxes on entertainment and amusements as well by such councils.

**3.15 Amendment of 7<sup>th</sup> Schedule [Section 17]:** It amends the 7<sup>th</sup> schedule to make the consequential amendments in Union list and States list entries.

**Diagram 3:** LIST I – Union List





- **Entry 84** has been substituted as follows:  
Duties of excise on the following goods manufactured or produced in India, namely:
  - a) Petroleum Crude;
  - b) High Speed Diesel;
  - c) Motor Spirit (commonly known as Petrol)
  - d) Natural Gas;
  - e) Aviation Turbine Fuel; and
  - f) Tobacco and Tobacco Products.
- **Entry 92** and **92C** have been omitted.

**Analysis & Comments:** Prior to the amendment, entry 84 empowered the Centre to levy excise duty on all goods including tobacco products but excluding alcoholic liquor for human consumption, opium, India hemp and other narcotic drugs and narcotics. With the introduction of GST, this entry has been amended to restrict the powers of the Union to levy excise only on the six different products now specified therein.

Tobacco and tobacco products would also be subject to GST, in addition to excise duty being levied by the Union. Petroleum and related products shall be brought into the ambit of GST only from a date recommended by the GST Council in terms of **Article 246A** of the Constitution read with **Article 279A** thereof. Till such time, the Union and the States shall be at liberty to levy excise and VAT as the case may be on petroleum and related products.

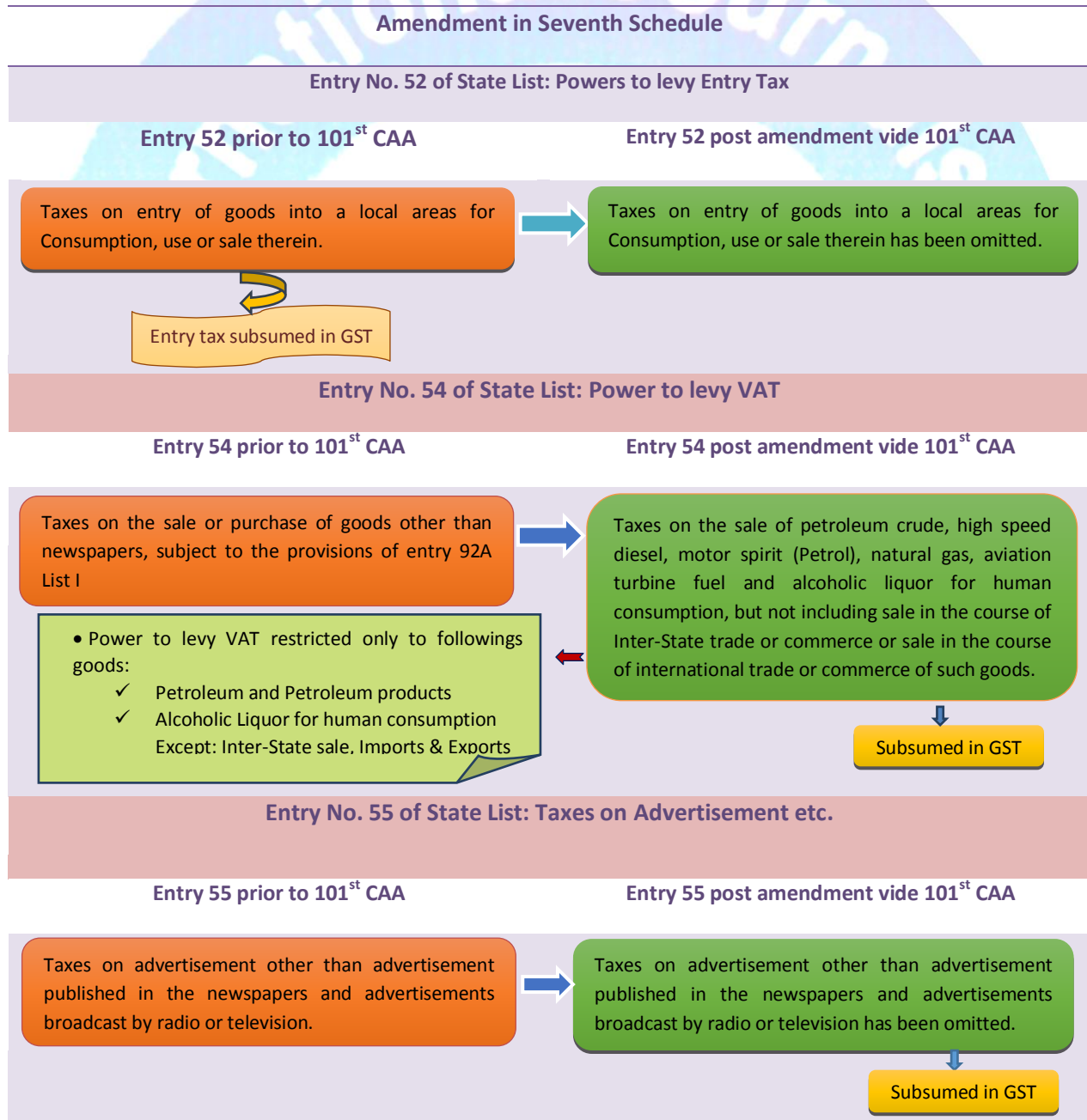
Alcoholic liquor for human consumption is excluded from GST and it is excluded from the ambit of excise too by way of this amendment. Hence, the power to tax such liquor shall remain with the State Government in the GST regime.

It may be noted that Opium, Indian hemp, narcotic drugs, narcotics, medicinal and toilet preparations containing alcohol shall be subsumed into GST too.

With the omission of **Entry 92** dealing with Taxes on the sale or purchase of newspapers and on advertisements published therein shall be subsumed in GST.

Similarly, with the omission of Entry 92C, power to levy Service tax by the Union has been withdrawn under the GST regime.

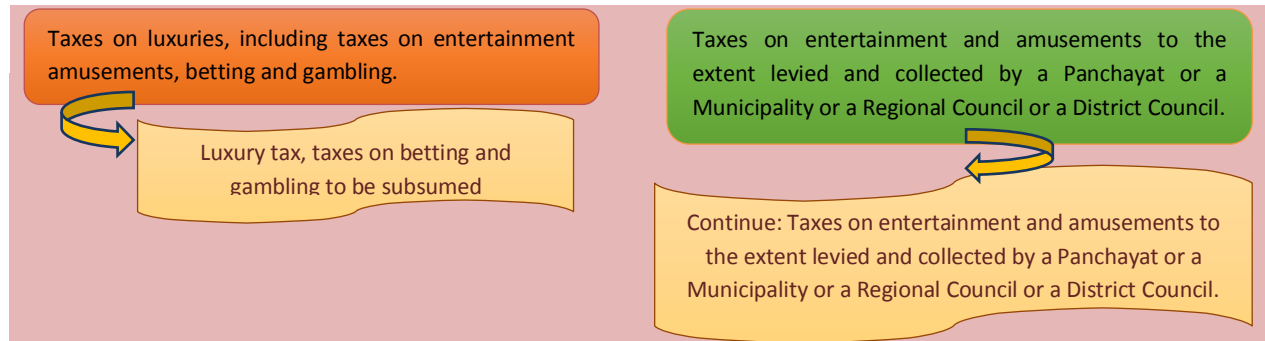
**Diagram 4:** LIST II – State List



Entry No. 62 of State List: Taxes on luxury, entertainment and amusements

Entry 62 prior to 101<sup>st</sup> CAA

Entry 62 post amendment vide 101<sup>st</sup> CAA



- **Entry 52** has been omitted
- **Entry 54** has been substituted: "Taxes on the sale of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption, but not including sale in the course of Inter-State trade or commerce or sale in the course of international trade or commerce of such goods."
- **Entry 55** omitted
- **Entry 62** has been substituted: "Taxes on entertainment and amusements to the extent levied and collected by a Panchayat or a Municipality or a Regional Council or a District Council."

**Analysis & Comments:** Omission of **Entry 52** dealing with Taxes on Entry of goods into a local area for consumption use or sale therein was required to withdraw imposition of entry tax, octroi, etc., from the State List as the same shall subsume into GST.

The causes for amendment in **Entry 54** are the same as explained for **Entry 84**. Further the amendments also make it expressly clear that Inter-State sale, imports and exports of products mentioned therein will not be charged to tax by State Governments.

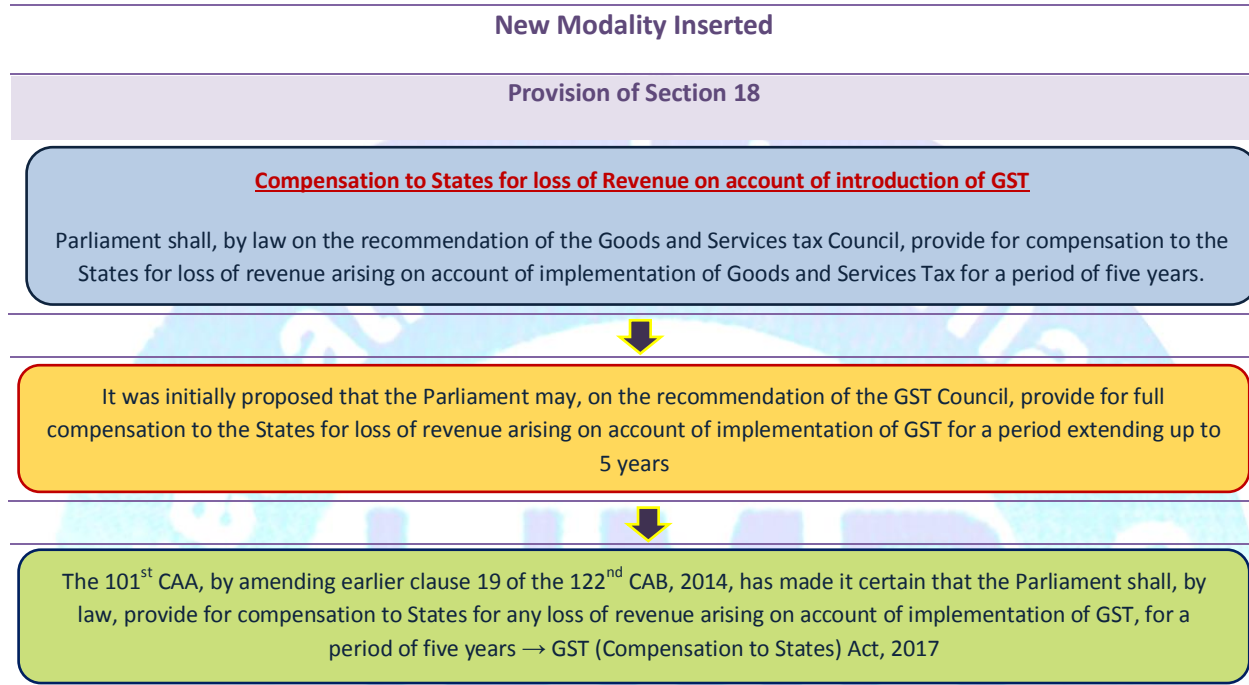
Omission of **Entry 55** from the State List along with **Entry 92** from the Union List as explained above makes it expressly clear that media advertisements will get subsumed in GST.

The existing **Entry 62** relating to taxes on luxuries, including taxes on entertainments, amusements, betting and gambling is now substituted by the new entry. The substituted entry now enables levy of taxes on entertainments and amusements to the extent levies and collected by a Panchayat or a Municipality or a Regional or a District Council. All such taxes now collected by the States shall be subsumed into GST.

**Compensation to Sates for loss of revenue on account of introduction of GST [Section 18]:** "Parliament shall, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation

to the States for loss of revenue arising on account of implementation of the goods and services tax for a period of five years.”

**Diagram 5:** Compensation to States



**Analysis & Comments:** The GST Council in its first meeting (2 days) held on September 22 & 23, 2016, discussed the matter pertaining to compensating revenue loss to States. The model for compensating the State’s losses till 5 years was agreed and it is agreed that financial year 2016 be set as the base year for measuring these losses apart from the payment of compensation at regular intervals on a quarterly basis.

**3.16 Transitional Provision [Section 19]:** It prescribes a timeframe of **One year** within which the subsuming of different indirect taxes into GST would take place and enable the competent legislature to amend or repeal their existing laws to pave the way for imposition of SGST in the States immediately before the commencement of this Act, which is inconsistent with the provision of the Constitution as amended by this act shall continue to be in force until amended or repealed by a competent legislature or other competent authority or until expiration of one year from such commencement, **whichever is earlier**.

**Analysis & Comments:** The transitional provisions suggests that the States shall have **to promulgate the SGST Act** within a period of **one year** from the commencement of the Amendment Act, else the existing Acts of the State(s), which if conflicting with the provisions of the Constitution as amended by the Amendment Act shall cease to be operative. In other words, the existing legislation pertaining to either goods or services or both in States shall remain in force up to a **maximum period of one year** from the date of commencement of the Act, i.e., **September 16, 2016**.

**3.17 Power of President to remove difficulties [Section 20]:** It empowers the President to remove difficulty arises in giving effect to the provisions of the Constitution as amended by this Act (including any difficulty in relation to the transition from the provisions of the Constitution as they stood immediately before the date of assent of the President to this Act to the provisions of the Constitution as amended by this Act), the President may, by order, make such provisions, including any adaptation or modification of any provision of the Constitution as amended by this Act or law, as appear to the President to be necessary or expedient for the purpose of removing the difficulty:

- No such order shall be made after the expiry of three years from the date of such assent.
- Every order made under sub-section (1) shall, as soon as may be after it is made, be laid before both houses of the Parliament.

**Analysis & Comments:** It provides that for removing difficulties arising out of the amendments made by the Act, the President shall have powers to make necessary provisions including any adaptations or modification of any provision by an order. Such order(s), if any shall be made up to a **maximum period of three years** from **September 8, 2016**. The provisions also provide that every such order made shall be laid before each House of the Parliament.

#### 4 Conclusion

The present of the constitution was not suitable for implementation of Goods and Service tax (GST), and hence, the Constitutional [101<sup>st</sup> Amendment] Act 2016, paves the way for implementation of GST. It contains useful insights, which provides for delineation of power to tax between the Union and States. This reform will be provided to the formulation of mechanism for upholding the need for harmonious structure for GST along with the concern for the powers of the Centre and the State in a federal structure. The provisions as stated in the act seems to ease indirect taxes in India but actual effect of reforms implementation needs to be seen in Indian economy. The efforts and intention to bring any statute or reform is always good but what need to be seen that whether the same is implemented well in all manner.

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