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The Central Goods and Services Tax (Extension to Jammu and Kashmir) Act, 2017

(ACT NO. 26 OF 2017)

[*As on the* 1st *September*, 2026]

THE CENTRAL GOODS AND SERVICES TAX (EXTENSION TO JAMMU AND KASHMIR) ACT, 2017

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title and commencement.
2. Extension and amendment of Central Goods and Services Tax Act, 2017.
3. Repeal and saving.

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THE CENTRAL GOODS AND SERVICES TAX (EXTENSION TO JAMMU AND KASHMIR) ACT, 2017

ACT NO. 26 OF 2017

[23rd *August*, 2017.]

An Act to provide for the extension of the Central Goods and Services Tax Act, 2017 to the State of Jammu and Kashmir.

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. Short title and commencement.—(*1*) This Act may be called the Central Goods and Services Tax (Extension to Jammu and Kashmir) Act, 2017.

(*2*) It shall be deemed to have come into force on the 8th day of July, 2017.

2. Extension and amendment of Central Goods and Services Tax Act, 2017.—(*1*) The Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the principal Act) and all rules, notifications and orders made thereunder by the Central Government are hereby extended to, and shall be in force in, the State of Jammu and Kashmir*.

(*2*) With effect from the date of commencement of this Act, in the principal Act,—

(*a*) in section 1, in sub-section (*2*), the words "except the State of Jammu and Kashmir*" shall be omitted;

(*b*) in section 22, in the *Explanation,* in clause (*iii*), after the word "Constitution", the words "except the State of Jammu and Kashmir*" shall be inserted;

(*c*) in section 109, in sub-section (*6*),—

(*i*) after the words "each State or Union territory", the words "except for the State of Jammu and Kashmir*" shall be inserted;

(*ii*) in the first proviso, for the words "Provided that", the following shall be substituted, namely:—

"Provided that for the State of Jammu and Kashmir*, the State Bench of the Goods and Services Tax Appellate Tribunal constituted under this Act shall be the State Appellate Tribunal constituted under the Jammu and Kashmir Goods and Services Tax Act, 2017:

Provided further that";

(*iii*) in the second proviso, for the words "Provided further that", the words "Provided also that" shall be substituted.

3. Repeal and saving.—(*1*) The Central Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017 (Ord. 3 of 2017) is hereby repealed.

(*2*) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

*. *Vide* notification No. S.O. 3912(E), dated 30th October, 2019, this Act is made applicable to the Union territory of Jammu and Kashmir and the Union territory of Ladakh.

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STATEMENT OF OBJECTS AND REASONS

The Central Goods and Services Tax Act, 2017 (CGST Act) was enacted with a view to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto.

2. Sub-section (*2*) of section 1 of the CGST Act provides that the said Act extends to the whole of India except the State of Jammu and Kashmir.

3. On 5th July, 2017, the Legislative Assembly of the State of Jammu and Kashmir passed a resolution adapting the Constitution (One Hundred and First Amendment) Act, 2016. Consequently on 6th July, 2017, the Constitution (Application to Jammu and Kashmir) Amendment Order, 2017 was issued by the President extending the provisions of the Constitution (One Hundred and First Amendment) Act, 2016 to the State of Jammu and Kashmir.

4. The State of Jammu and Kashmir passed the Jammu and Kashmir Goods and Services Tax Act, 2017 which came into force on 8th July, 2017 and the central tax levied under the CGST Act had to be imposed concurrently on intra-State supplies in the State to avoid any anomalous situation that may go against the very spirit of the goods and services tax.

5. In view of the above, it had become necessary to extend the provisions of CGST Act to the State of Jammu and Kashmir subject to the following amendments, namely:—

(*i*) to amend sub-section (*2*) of section 1 of the CGST Act so as to omit the words "except the State of Jammu and Kashmir";

(*ii*) to amend clause (*iii*) of *Explanation* to section 22 of the CGST Act so as to exclude the State of Jammu and Kashmir from the purview of "special category States"; and

(*iii*) to amend sub-section (*6*) of section 109 of the CGST Act so as to provide that for the State of Jammu and Kashmir, the State Appellate Tribunal constituted under the Jammu and Kashmir Goods and Services Tax Act, 2017, shall be the State Bench of the Goods and Services Tax Appellate Tribunal under the CGST Act.

6. As Parliament was not in session and an urgent legislation was required to be made, the President promulgated the Central Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017 (Ord. 3 of 2017) on the 8th day of July, 2017.

7. The Bill seeks to replace the aforesaid Ordinance.

ARUN JAITLEY.

NEW DELHI;
The 24*th July*, 2017.