

THE GOA GOODS AND SERVICES TAX (AMENDMENT)

Bill, 2024

(Bill No. 9 of 2024)

A

Bill

further to amend the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017).

BE it enacted by the Legislative Assembly of Goa in the Seventy-fifth Year of the Republic of India as follows: —

1. Short title and commencement. — (1) This Act may be called the Goa Goods and Services Tax (Amendment) Act, 2024.

(2) It shall be deemed to have come into force on the 1st day of October, 2023.

2. Amendment of section 2. — In the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017) (hereinafter referred to as the “principal Act”), in section 2, —

(i) after clause (80), the following clauses shall be inserted, namely: —

“(80A) “online gaming” means offering of a game on the internet or an electronic network and includes online money gaming;

(80B) “online money gaming” means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme,

competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force;”;

(ii) after clause (102), the following clause shall be inserted, namely :—

“(102A) “specified actionable claim” means the actionable claim involved in or by way of—

- (i) betting;
- (ii) casinos;
- (iii) gambling;
- (iv) horse racing;
- (v) lottery; or
- (vi) online money gaming;”;

(iii) in clause (105), the following proviso shall be inserted at the end, namely:—

“Provided that a person who organizes or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money’s worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply to such supplier of specified

actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims;”;

(iv) after clause (117), the following clause shall be inserted, namely:—

“(117A) "virtual digital asset" shall have the same meaning as assigned to it in clause (47A) of section 2 of the Income Tax Act, 1961 (43 of 1961);”.

3. Amendment of section 24.— In section 24 of the principal Act,—

(i) in clause (xi), the word “and” occurring at the end, shall be omitted;

(ii) after clause (xi), the following clause shall be inserted, namely:—

“(xia) every person supplying online money gaming from a place outside India to a person in India; and”.

4. Amendment of Schedule III.— In Schedule III of the principal Act, in paragraph 6, for the expression “lottery, betting and gambling”, the words “specified actionable claims” shall be substituted.

5. Transitory provision.— The amendments made by this Act shall be without prejudice to provisions of any other law for the time being in force, providing for prohibiting, restricting or regulating betting, casino, gambling, horse racing, lottery or online gaming.

6. Repeal and Saving.— (1) The Goa Goods and Services Tax (Amendment) Ordinance, 2023 (Ordinance No. 3 of 2023) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The Bill therefore seeks to amend section 2 of the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017) (hereinafter referred to as the “said Act”) so as to provide clarity regarding taxability of Casinos, Horse Racing and Online Gaming.

The Goods and Services Tax Council (GST Council) in its 50th and 51st meetings considered representation from various associations on the issues regarding taxability of Casinos, Horse Racing and Online Gaming and recommended to make certain amendments in the Central Goods and Services Tax Act, 2017 (Central Act 12 of 2017) and the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017).

The Bill further seeks to,-

- (i) define the expressions "online gaming", "online money gaming", "specified actionable claim" and "virtual digital asset";
- (ii) insert a proviso in the definition of "supplier" to provide clarity regarding "supplier" in case of supply of "specified actionable claim";
- (iii) substitute "specified actionable claim" in paragraph 6 of Schedule III of the Act, for the present entries "lottery, betting and gambling", so as to provide clarity regarding taxability of actionable claims involved in or by way of casinos, horse racing and online gaming; and
- (iv) provide for mandatory registration of the person for supplying online money gaming, from a place outside India to a person in India.

The Bill also seeks to repeal the Goa Goods and Services Tax (Amendment) Ordinance, 2023 (Ordinance No. 3 of 2023) as promulgated by the

Hon'ble Governor of Goa on 15/09/2023.

This Bill seeks to achieve the above objects.

FINANCIAL MEMORANDUM

The proposed Goa Goods and Services Tax (Amendment) Bill, 2024 does not involve any recurring or non-recurring expenditure from the Consolidated Fund of the State.

With respect to revenue generation due to amendment in case of online gaming, it is not possible to quantify the additional revenue that State of Goa may earn in consequence of proposed amendment as till date, in the State of Goa only one registered taxable person is carrying on trade of online gaming with effect from FY 2023-24. GST is a destination based Tax. Even if the taxpayer is registered outside the State of Goa, the SGST share on the supply will ordinarily accrue to the consuming State. Hence, in case of online gaming the place of supply would be the address of the player registering on the online platform / gaming application by giving his address or pin-code of the location. Therefore, the GST collected either IGST or CGST or SGST on the transaction will accrue to the State as per the address on record entered by the player. Accordingly, the State's SGST share will be settled in accordance with the provisions of GST law.

Further, with respect to amendment incase of casino industry, there was never any doubt that casino is a type of betting & gambling. Hence, the proposed amendment in respect of casino industry is only clarificatory in nature and does not have any revenue implication.

MEMORANDUM REGARDING DELEGATED LEGISLATION

No delegated legislation is envisaged in this Bill.

Assembly Hall,
Porvorim, Goa.

SHRI PRAMOD SAWANT
Hon. Chief Minister/Finance Minister

2nd February, 2024

Assembly Hall,
Porvorim, Goa.

SMT. NAMRATA ULMAN
Secretary to the Legislative Assembly of Goa

_____, 2024

**Governor's Recommendation under Article 207 of the
Constitution of India**

In pursuance of article 207 of the Constitution of India, I, P. S. Sreedharan Pillai, the Governor of Goa, hereby recommend the introduction and consideration of the Goa Goods and Services Tax (Amendment) Bill, 2024 by the Legislative Assembly of Goa.

RAJ BHAVAN

Date: 1st February, 2024

P. S. SREEDHARAN PILLAI

Governor of Goa

ANNEXURE
EXTRACTS FROM THE GOA GOODS AND SERVICES TAX ACT, 2017
(Goa Act 4 OF 2017)

Section 2. Definitions.—

In this Act, unless the context otherwise requires,—

Section 2(105).

“supplier” in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied;

Section 24. Compulsory registration in certain cases.—

Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act,—

- (i) persons making any inter-State taxable supply;
- (ii) casual taxable persons making taxable supply;
- (iii) persons who are required to pay tax under reverse charge;
- (iv) person who are required to pay tax under sub-section (5) of section 9;
- (v) non-resident taxable persons making taxable supply;
- (vi) persons who are required to deduct tax under section 51, whether or not separately registered under this Act;
- (vii) persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise;
- (viii) Input Service Distributor, whether or not separately registered under this Act;
- (ix) persons who supply goods or services or both, other than supplies

specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52;

(x) every electronic commerce operator 1[who is required to collect tax at source under section 52;]

(xi) every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered person; and

(xii) such other person or class of persons as may be notified by the Government on the recommendations of the Council.

SCHEDULE III.

ACTIVITIES OR TRANSACTIONS WHICH SHALL BE TREATED NEITHER AS A SUPPLY OF GOODS NOR A SUPPLY OF SERVICES

1. Services by an employee to the employer in the course of or in relation to his employment.
2. Services by any court or Tribunal established under any law for the time being in force.
3. (a) the functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities;
- (b) the duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or

(c) the duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.

4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.

5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.

6. Actionable claims, other than lottery, betting and gambling.

7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.

8. (a) Supply of warehoused goods to any person before clearance for home consumption;

(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

Explanation 1.-For the purposes of paragraph 2, the term "court" includes District Court, High Court and Supreme Court.

Explanation 2.- For the purposes of paragraph 8, the expression "warehoused goods" shall have the same meaning as assigned to it in the Customs Act, 1962 (50 of 1962).