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PUNJAB VIDHAN SABHA SECRETARIAT

NOTIFICATION

The 7th August, 2026

No.16-PLA-2026/36.- The Punjab Goods and Services Tax (Amendment) Bill, 2026 is hereby published for general information under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly):-

BILL NO. 16-PLA-2026

THE PUNJAB GOODS AND SERVICES TAX (AMENDMENT) BILL, 2026

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BILL

further to amend the Punjab Goods and Services Tax Act, 2017.

BE it enacted by the Legislature of the State of Punjab in the Seventy-seventh Year of the Republic of India, as follows:-

Short title and commencement.

1. (1) This Act may be called the Punjab Goods and Services Tax (Amendment) Act, 2026.

(2) It shall come into force on such date as the Government of Punjab may, by notification in the Official Gazette, appoint.

Amendment in section 15 of Punjab Act 5 of 2017.

2. In the Punjab Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act), in section 15, in sub-section *(3),* for clause *(b),* the following clause shall be substituted, namely:—

"*(b)* after the supply has been effected, if for such discount, a credit note has been issued by the supplier and input tax credit as is attributable to such discount has been reversed by the recipient of the supply, in accordance with the provisions of section 34.".

Amendment in section 34 of Punjab Act 5 of 2017.

3. In the principal Act, in section 34, in sub-section *(1),* after the words "both supplied are found to be deficient", the words, brackets, letter and figures "or where a discount referred to in clause *(b)* of sub-section *(3)* of section 15 is given" shall be inserted.

Amendment in section 54 of Punjab Act 5 of 2017.

4. In the principal Act, in section 54,-

(a) in sub-section *(6)*, after the words "supply of goods or services or both", the words, brackets and figures "or of unutilised input tax credit allowed under clause *(ii)* of the first proviso to sub-section *(3)*" shall be inserted; and

(b) in sub-section *(14)*, after the words, brackets and figures "sub-section *(5)* or sub-section *(6)*", the words and sign ",other than cases where refund of tax is claimed on account of goods exported out of India with payment of tax," shall be inserted.

STATEMENT OF OBJECTS AND REASONS

The Punjab Goods and Services Tax Act, 2017 (the 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 State Government. With the objective of enhancing compliance under the GST regime, there is a need to amend the Punjab Goods and Services Tax Act, 2017 ("the PGST Act") with a view to maintain uniformity with the provisions of the Central Goods and Services Tax Act, 2017, as amended by the Finance Act, 2026. Key proposed amendments relates to Section 15 of the Act, whereby post-sale discounts shall be allowed to be excluded from the value of supply on the basis of a credit note, without requiring any prior agreement. Further, it has been proposed that credit notes under Section 34 of the Act may be issued for post-sale discounts for any reason, thereby simplifying compliance requirements relating to trade discounts and commercial adjustments.

In addition, amendments under Section 54 of the Act seek to provide relief to exporters and taxpayers facing inverted duty structure. It is proposed that provisional refund of 90% of Input Tax Credit (ITC) in cases of inverted duty structure, as well as refund of IGST paid on exports of goods, may be granted even where the refund amount is less than `1,000.

These proposed amendments are expected to promote voluntary compliance, reduce litigation and streamline GST procedures, thereby benefiting trade and industry across the State.

HARPAL SINGH CHEEMA
Excise and Taxation Minister, Punjab

FINANCIAL MEMORANDUM

The Bill proposes to amend sections 15,34 and 54 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act 5 of 2017), with a view to maintain uniformity with the provisions of the Central Goods and Services Tax Act, 2017, as amended by the Finance Act, 2026. These are the provisions related to Section 15 of the Act, whereby post-sale discounts shall be allowed to be excluded from the value of supply on the basis of a credit note, without requiring any prior agreement or linkage with specific invoices. Further, it has been proposed that credit notes under Section 34 of the Act may be issued for post-sale discounts for any reason, thereby simplifying compliance requirements relating to trade discounts and commercial adjustments. In addition, amendments under Section 54 of the Act seek to provide relief to exporters and taxpayers facing inverted duty structure. It is proposed that provisional refund of 90% of Input Tax Credit (ITC) in cases of inverted duty structure, as well as refund of IGST paid on exports of goods, may be granted even where the refund amount is less than ₹ 1,000.These proposed amendments are expected to promote voluntary compliance, reduce litigation and streamline GST procedures, thereby benefiting trade and industry across the State. These provisions do not involve the recurring or non-recurring expenditure from the Consolidated Fund of the State on its enactment as an Act of the State Legislature.

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The Governor has, in pursuance of clause (1) and (3) of Article 207 of the Constitution of India, recommended to the Punjab Legislative Assembly, the introduction and consideration of the Bill.

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CHANDIGARH
THE 7TH AUGUST, 2026

R. L. KHATANA,
SECRETARY.

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