ALLIANCE MODEL GST COUNCIL

2nd Edition · 4–5 September 2026 · Alliance University, Bengaluru

AGENDA NOTE

Technology-Neutral Rationalisation of GST Rates and the Input Tax Credit Framework for Green Mobility

Field	Particulars
Agenda No.	Agenda No. 2 / 2nd Alliance Model GST Council, 2026
Sponsoring delegation	Central Government (host — Organising Committee)
Questions for decision	Four: rate treatment of strong hybrids; the inverted-duty refund base; input tax credit on green employee-mobility fleets; and a review mechanism
Principal provisions	Article 279A, Constitution of India; Sections 2(19), 2(59), 2(60), 9(1), 17(5)(a) and (ab), 18(6), 54(3) and 54(6), CGST Act 2017; Rules 89(5) and 91(2), CGST Rules 2017, and corresponding IGST, SGST and UTGST provisions; Energy Conservation Act 2001
Issued	Released for the 2nd Alliance Model GST Council. Numbering frozen at release.

GUIDE TO THE AGENDA NOTE

Read this Part first. It explains what the document contains, what you may argue about, and how the Council will take its decisions.

1. What this competition asks you to do

You represent a State or Union Territory in a simulated meeting of the GST Council. You are not arguing a court case: there is no winning legal answer waiting to be found. The Council is a policy body, and your task is to decide what the tax law ought to be, then persuade enough other delegations to vote with you.

The subject before this Council is how GST should treat vehicles that are cleaner than petrol and diesel cars but are not fully electric — chiefly strong hybrids — together with two problems in the input tax credit system that affect electric vehicle manufacturers and businesses that run vehicle fleets for their staff.

You will be judged on the quality of your position paper, your use of the data supplied in the Annexures, whether the position you take is one your assigned State would plausibly take, the quality of the amendments you move, and your command of Council procedure.

2. How this document is organised

Part	What it contains	How to use it
Part I	This guide	Read first
Part II	The Agenda Note — the Centre's statement of the problem, ¶1 to ¶17	The case you are responding to. You may agree or disagree with any of it.
Annexure A	Fitment Committee report — what the options cost	Your evidence on revenue
Annexure B	Law Committee note — what is legally possible, and safeguard designs	Your evidence on legal feasibility
Annexure C	Stipulated technical framework (CAFE-III, emissions model)	Fixed technical facts
Annexure D	Sector and State data	Your evidence on impact
Annexure E	The four Resolutions and Annexure F — the actual motions	What you amend and vote on

3. The closed record: what [S] means

Rule of the closed record

Figures marked [S] are stipulated. They are invented for this competition. You may interpret them, weigh them, and draw competing conclusions from them — but you may not dispute that they are accurate, and you may not bring in substitute figures of your own. If a [S] figure differs from the real world, or from something notified after this document was released, the [S] figure governs inside the competition.

Everything not marked [S] — the Constitution, the CGST Act and Rules, notifications, circulars and reported judgments — is real, and you are expected to research it independently and cite it accurately.

Why this rule exists: it stops rounds collapsing into arguments about whose statistics are right, so that the debate is about what to do with the numbers rather than what the numbers are.

4. Who sits on the Council and how votes are counted

For this simulation the Council comprises the Union delegation and 31 State and Union Territory delegations (28 States, and Delhi, Puducherry and Jammu & Kashmir, being the Union Territories with legislatures).

Article 279A(2) of the Constitution places the Union Finance Minister and the Union Minister of State for Revenue or Finance on the Council. For this simulation both offices are represented by one composite Union delegation, played by the host Organising Committee.

Voting — Article 279A (9)

A motion carries only if it receives at least three-fourths of the weighted votes of the members present and voting.

• The Union delegation's vote carries one-third of the total votes cast.
• The votes of all State and Union Territory delegations together carry two-thirds, divided equally among those present and voting.

Two consequences worth working out before you arrive: the Union alone cannot carry a motion, and the Union alone can defeat one.

The Union delegation presents this Agenda Note and answers questions of clarification, but does not take part in debate on the merits. It votes at the same stage as everyone else.

5. How the four Resolutions relate to one another

- Resolution 1 (rate) is amended and voted on its own.
- Resolution 2 (refund base) and Resolution 4 (review) are independent of the others.
- Resolution 3 (fleet credit) has two limbs. Its electric-vehicle limb stands on its own. Its strong-hybrid limb depends on the certification test in Annexure F: if Resolution 1 is rejected, that limb falls away unless the Council separately adopts Annexure F.
- Adopting a safeguard design carries with it the consequential drafting needed to give that design effect, unless the Council amends it expressly.

Motions to sever a Resolution, and motions to refer a Resolution to a Group of Ministers, are in order. The Competition Rules govern how they are moved and how they are scored.

6. What is open to amendment

Only text inside a Resolution or Annexure F is operative. Explanatory material in the Agenda Note and in the Annexures is not voted on. Each amendable element carries an R-number so that a motion can identify precisely what it changes.

Reference	Amendable element
R.1(a)	Annexure F, Part I — the architectural definition of a strong hybrid
R.1(b)	Annexure F, Part II — the reference formula
R.1(c)	Annexure F, Part II — the percentage threshold (20 / 25 / 30)
R.1(d)	Annexure F, Part III — per-variant versus fleet-average application
R.1(e)	Resolution 1 — the rate itself (28 or 18 per cent)
R.2(a)	Resolution 2 — which manufacturers qualify
R.2(b)	Resolution 2 — safeguard Option 1, 2 or 3
R.3(a)	Resolution 3 — whether relief extends to insurance, servicing and maintenance
R.3(b)	Resolution 3 — safeguard Design I, II or III
R.4(a)	Resolution 4 — the reporting deadline and the matters to be reported

7. How to cite this document

To refer to	Write
A paragraph of the Agenda Note	¶9
An item in an Annexure	A.3, B.2, D.1
A row of a table	Annexure C, Table C-1, row 'Strong hybrid'; Annexure D, Table D-1, row 'Kerala'
A Resolution or amendable element	R.1; amendment to R.1(e)
Annexure F	Annexure F, Part II

Numbering is frozen at release. If a clarification has to be added later it will be numbered ¶12A or similar; nothing will be renumbered, so citations in your position paper will remain accurate.

8. Abbreviations

Short form	Meaning
[S]	Stipulated figure — closed record (see paragraph 3 above)
BEV	Battery electric vehicle — runs only on a battery charged from an external supply
SHEV	Strong hybrid electric vehicle — petrol or diesel engine plus an electric motor, charged on board, cannot be plugged in
PHEV	Plug-in hybrid electric vehicle — a hybrid that can also be charged from an external supply
ICE	Internal combustion engine — a conventional petrol, diesel or CNG vehicle
ITC	Input tax credit — credit for GST already paid on business purchases
IDS	Inverted duty structure — where inputs are taxed at a higher rate than the finished product
CAFE	Corporate Average Fuel Efficiency — fuel efficiency norms for manufacturers' whole fleets
BEE	Bureau of Energy Efficiency, Ministry of Power — administers CAFE
MoRTH	Ministry of Road Transport and Highways
MHI	Ministry of Heavy Industries — runs purchase incentive schemes, not

	CAFE
CGST / SGST / IGST / UTGST	Central / State / Integrated / Union Territory GST
PV	Passenger vehicle
gCO_2/km	Grams of carbon dioxide emitted per kilometre
gCO_2/kWh	Grams of carbon dioxide per unit of electricity generated
GoM	Group of Ministers