



- **Assam** has tightened scrutiny of **Goods and Services Tax (GST) Input Tax Credit (ITC)** claims made by public works contractors to strengthen tax compliance and prevent revenue leakage.
- **Input Tax Credit (ITC)** allows businesses to offset the **GST paid on purchases** against the GST payable on outward supplies, ensuring tax is levied only on the **value added** at each stage of the supply chain.
- The mechanism eliminates the **cascading effect of taxation (tax-on-tax)**, improving efficiency and neutrality in the GST system.

APSC Relevance: Taxation; GST