

GST HEADLINES

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Stage Set For GST to Become Law

[Source : The Hindu]

High Tax Evasion, Exemptions Will Lead To Higher GST: Arun Jaitley

[Source : The Economic Times]

Stage set for GST to become law



Following the notification of the Constitutional (122nd Amendment) Act, 2014, no State will be able to remain outside the GST regime.

TOPICS

Odisha became the 16th State to ratify the constitutional amendment that will pave the way for the roll-out of the Goods & Services Tax (GST). Ratified now by more than half the 29 States, the amendment requires only the President's assent — which, it is expected, to receive expeditiously — before the Centre can notify it.

“We will approach the President for his assent to the constitutional amendment as soon as we receive from the 16 States their legislative resolutions ratifying it,” Revenue Secretary Hasmukh Adhia told *The Hindu*. “From the point of view of the constitutional requirements, no more States need ratify the amendment. However, the more the merrier.”

He said the requisite ratifications were in place seven days ahead of the schedule that the Finance Ministry had drawn up for implementing the GST.

‘States have no choice’

Following the notification of the Constitutional (122nd Amendment) Act, 2014, no State will be able to remain outside the GST regime. Upon its notification, all States will lose the powers to levy and collect value-added tax, Dr. Adhia said.

This will be regardless of whether a State has ratified the amendment or not, he said. Further, to receive a share in the revenue collected from the GST, a State will have to pass the model GST laws. “There will be no choice... all States will have to come on board,” he said.

Even States such as Tamil Nadu — where the ruling All India Anna Dravida Munnetra Kazhagam has been opposing the GST in its proposed form, and walked out of the Rajya Sabha at the time of voting on the amendment last month — are participating in the ongoing discussions for thrashing out the GST's roll-out, Dr. Adhia said.

After the notification, the Centre and the States will immediately move to set up the proposed GST Council. Union Finance Minister Arun Jaitley had earlier indicated that the Empowered Committee of State Finance Ministers itself is likely to be made the Council. While the committee is headed by West Bengal Finance Minister Amit Mitra, the council is expected to be chaired by the Union Finance Minister.

Dr. Adhia said that work at both the back and front ends was going on simultaneously for ensuring that the new tax, which will subsume all indirect taxes and levies, could be rolled out from the target deadline of April 1, 2017.

This includes the technical support systems as well the Central and State rules that will have to be in place before then.

Earlier, starting with Assam, Maharashtra, Haryana, Bihar, Jharkhand, Himachal Pradesh, Chhattisgarh, Gujarat, Telangana, Madhya Pradesh, Delhi, Mizoram, Nagaland, Sikkim and Goa ratified the amendment.

PTI adds:

It can now go to President, says Jaitley

The government will seek the Presidential assent for the landmark Constitution amendment Bill for the GST, as 16 States have ratified the legislation, Finance Minister Arun Jaitley said on Thursday.

"The requisite number of States have ratified the GST Constitution Amendment Bill and now it can go for Presidential assent," Mr. Jaitley tweeted.

The government plans to roll out the new indirect tax regime from April 1, 2017.

After the Presidential assent, the government will notify the GST Council. Union Finance Minister will head the Council, which will comprise State Finance Ministers.

High tax evasion, exemptions will lead to higher GST: Arun Jaitley

By [Joel Rebello](#), ET Bureau | Sep 01, 2016, 06:56 PM IST

MUMBAI: Finance minister [Arun Jaitley](#) came down heavily on income tax evaders warning that high exemption and tax evasion would lead to higher taxes.

Speaking at a function organised by Federation of Indian Chamber of Commerce and Industry (FICCI) and The Institute of Chartered Accountants of India (ICAI) Jaitley said warned that tax evasion will lead to a higher Goods and Services Tax (GST).

"There are a lot of questions on what would be the GST rate...the GST rate depends on various situations. You should not tax people more than needed. It should be revenue neutral," Jaitley said.

"(However), the higher the number of exemptions the higher will be the standard rate...higher the (tax) evasion higher will be the rate...evasion will lead to a higher rate," Jaitley told an audience of chartered accountants, bankers and businessmen. Among the audience was incumbent RBI governor [Urjit Patel](#).

Earlier this year the government passed the long awaited GST bill which set the ball rolling for a single tax rate across the country. Expectations are that the revenue neutral GST rate will be between 18% to 20%.

Jaitley warned that people who do not disclose their income honestly will have to face the law.

"Those who didn't disclose income during the compliance window will have to face the consequences" Jaitley said referring to the ongoing income declaration scheme which ends at the end of this month.

"India is still one of those societies where paying tax is not an exciting or popular proposition...each step of the government is intended to culturally the way we think and to understand that to pay my tax is part of my legal and ethical observations," he said.

Jaitley said the government will go after tax evaders armed with data from the Central Board of Direct Taxes (CBDT).

"As technology develops, as industry develops the chances of anyone getting away are low. Like in any other non tax crime sooner or later they will get into trouble," he said.



Speaking at a function organised by Federation of FICCI and The ICAI Jaitley said warned that tax evasion will lead to a higher Goods and Services Tax (GST).

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