**GST HEADLINES**

**December 02, 2016**

**GST Council to discuss Model Laws, Tax Jurisdiction Today**

***[Source: Money Control]***

**No Question of Going Back on GST: Jaitley**

***[Source: The Hindu]***

**GST Council to discuss Model Laws, Tax Jurisdiction Today**

# The all-powerful GST Council at its two-day meeting beginning today will dwell on the issue of jurisdiction over assessees and draft model laws for implementation of the new GST regime from April next year. The all-powerful GST Council at its two-day meeting beginning today will dwell on the issue of jurisdiction over assessees and draft model laws for implementation of the new GST regime from April next year. The GST Council, which has Union Finance Minister and state representatives as members, will finalise the model Goods and Services Tax (GST) law, Integrated GST (IGST) law and compensation law at their meeting tomorrow. The finalisation of these laws, on which the Centre had last week invited public comments, by the Council will pave the way for their introduction in the ongoing Winter Session of Parliament, which ends on December 16. The Council is also likely to take up the vexed issue of cross empowerment of states and the Centre to avoid dual control - an issue which has remained a contentious one during the previous two GST Council meetings. Finance Minister Arun Jaitley had called for an informal meeting with his state counterparts on November 20 to thrash out a political solution, but the meet failed to arrive at a common ground on how the Centre and states will control assessees under the new regime that will subsume an array of taxes such as excise duty and service tax as well as VAT. With states unrelenting on their position of being given right to control all assessees with up to Rs 1.5 crore annual turnover, it was decided that officials will meet and work out a possible arithmetic for addressing the issue. States like West Bengal, Kerala, Uttarakhand, Uttar Pradesh and Tamil Nadu have insisted on exclusive control over small taxpayers, who earn less than Rs 1.5 crore in annual revenue, for both goods and services. The government hopes to implement GST from April 1 next year and for that to happen, the supporting legislations have to be ratified by Parliament in the ongoing session. Jaitley had last month stated that the proposed GST needs to be rolled out by September 16, 2017 before the validity of the Constitutional Amendment brought in by Centre and ratified by states expires. At its last meeting, the Council agreed on a four-slab structure 5, 12, 18 and 28 per cent along with a cess on luxury and 'sin' goods such as tobacco. The GST compensation law provides that states will receive provisional compensation from the Centre for loss of revenue from implementation of GST every quarter, but the final annual number will be decided after an audit carried out by CAG. The compensation will be met through levy of a cess called 'GST Compensation Cess' on luxury items and sin goods like tobacco for the first five years. A fund of Rs 50,000 crore 'Compensation Fund' will be created by levying cess on luxury and sin goods.

# No question of going back on GST: Jaitley

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Union Finance Minister

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Close on the heels of West Bengal Finance Minister Amit Mitra stating that time was not right for implementation of Goods and Service Tax, Union Finance Minister Arun Jaitley here on Thursday said there was no question of going back on GST.

“I am here to clarify that GST will definitely be implemented. I read some comments about demand for reconsideration of GST. But if somebody goes through the constitutional amendments, he or she will understand there is no scope for such reconsideration,” said Mr. Jaitley.

“The Centre had notified certain provisions in the constitution amendment law for GST with effect from September 16 last. The old tax regime can continue for one year. If not implemented, tax collection will be difficult for States after September 16, 2017. If somebody tries to create roadblock for GST implementation neither any scope nor much time is left for such attempt,” he said.

Stating that the GST implementation had become constitutional compulsion, the Finance Minister said, “after GST implementation whole country would become one big market. The country was united from political point of view, but financially, it was never cohesive. Tax rate differed from one state to another, sometime there was duplication in tax imposition. The GST leaves no scope for that. There would be seamless flow of goods and services.”

Earlier speaking at Make in Odisha conclave, Mr. Jaitley said, “over a period of time, this will help in the growth process. It will help the consuming State like Odisha.”

“Tax evasion would be increasingly extremely difficult because from inception to the end the whole process of would be captured on the IT backbone that is being developed. Coupled with this, our country will move to a far clear and formal economy. The informal sector will be formalised,” he said.

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