

## Hope to roll out GST in 2016 PM

Ahead of the winter session of Parliament, the government appears to be hopeful of introducing the goods and services tax ( GST) from the next financial year. This is despite the fact that the Congress is yet to express support for the Constitution amendment Bill for the new indirect tax regime in its present form.

“We have introduced the GST Bill in Parliament and hope to roll it out in 2016,” Prime Minister Narendra Modi said at an event organised by Nasscom in Bengaluru on Tuesday. The event was attended by industry captains such as Kumar Mangalam Birla, A M Naik, Azim Premji, G M Rao, Chanda Kochhar and Shikha Sharma. The PM was sharing the stage with visiting German Chancellor Angela Merkel.

Meanwhile, addressing students and faculty at Columbia University in the US, Finance Minister Jaitley said GST would be the government’s priority. From the US, the Finance Minister will travel to Lima, Peru, to attend the World Bank- International Monetary Fund meeting.

The GST Bill is stuck in the Rajya Sabha, as the Congress is opposed to the provision of one per cent tax on interstate commerce to help manufacturing states, the exclusion of alcohol from the GST and the absence of a dispute- resolution authority. The Bill has already been passed by the Lok Sabha.

Jaitley claimed though the government had the required numbers in the Rajya Sabha, the Congress did not allow the Bill to be passed by creating disturbances in Parliament.

“This was more or less a political positioning rather than a serious ideological opposition because the Manmohan Singh government had initiated the idea of the GST,” he said.

“Indian aspirations are changing and, therefore, that opposition has been taken very badly as far as the electorate is concerned,” he added.

If the GST is to be rolled out from April 1, 2016, the Bill has to be cleared in the Rajya Sabha in the winter session, though even then, it would be a tight schedule. This is because the Bill has to be ratified by at least 15 of the 29 states, after being cleared by the Rajya Sabha.

Subsequently, GST Bills have to be passed by Parliament and all state Assemblies. Also, the GST rules and rate will have to be fixed by the GST council, comprising the Union finance minister and state finance ministers.

Jaitley said the government was looking at reducing the corporate tax rate to 25 per cent from 30 per cent in four years. He also promised rational tax rates for individuals. Currently, there are three tax slabs of 10 per cent, 20 per cent and 30 per cent, for annual incomes of at least Rs.2.51 lakh, Rs.5.01 lakh and Rs.10.01 lakh, respectively.

Both Modi and Jaitley talked about a bankruptcy code. Jaitley hoped the code would be presented in the winter session of Parliament.

In Bengaluru, Modi wooed businesses, saying it made business sense to be in India and Make In India. He assured investors of a simple and predictable tax regime, as well as intellectual property right protection.