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Akhilesh Cycles Away With SP Symbol
Victory for Akhilesh Yadav as Election Commission recognises faction headed by him as the Samajwadi Party and allots the 'bicycle' symbol to it for contesting the upcoming assembly polls. PURE POLITICS ▶▶ 2

GST Rollout from July 1 as Centre, States Reach Deal

States to assess 90% taxpayers with turnover under ₹1.5 cr, rest with Centre; States and Centre to share control for turnover over ₹1.5 cr

Our Bureau

New Delhi: India will likely be able to roll out the goods and services tax (GST) from July 1 following a breakthrough on Monday over the seemingly intractable issue of tax administration after the Centre accommodated states' concerns.

"It's a significant headway," Union Finance Minister Arun Jaitley said after a day-long meeting of the GST Council with both sides agreeing on most matters.

Under the proposed tax regime, 90% of all assesseees with a turnover of Rs1.5 crore or less will be assessed for scrutiny and audit by state authorities, the remaining 10% by the Centre. Above that limit, Centre and states will assess in a 50:50 ratio. The agreement hammered out was based on a proposal by Tamil Nadu.

"Each assessee would be assessed only by one authority,"

Jaitley said, putting to rest fears over dual administration by both state and Centre. "You won't have to jump from authority to authority, that's the advantage of GST... Computer programming will be done in such a way there is no discretion (in selection of assesseees)." This division of tax administration had been holding up the finalisation GST tax laws, making it difficult for the government to stick with the April 1 deadline.

The GST Council, which has Jaitley as chairman and state ministers as members, resolved to share the entire taxation base between the assessment machinery of the centre and the states. Both will have intelligence-based assessment powers, Jaitley said. The centre has also given leeway to states on integrated GST (I-GST), which deals with inter-state sales.

Jaitley said the power to levy and collect the I-GST lies with the central government but states will also be cross-empowered

in the same ratio as above through a special provision in law. Any IGST disputes among states will be resolved out by the centre.

Regarded as one of India's most sweeping reforms since independence, GST will help turn the country into a common market by removing state tariffs that act as a barrier to free movement of goods and services.

The accord will come as a relief to the centre after concerns that the November 8 demonetisation may cause states to put up their price. To be sure, the constitutionally mandated timetable requires that GST has to be in place by September at the latest.

Jaitley said all the ministers present at Monday's meeting agreed to the proposals except West Bengal finance minister Amit Mitra.

The state wanted exclusive jurisdiction for states up to the limit of Rs1.5 crore.

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ARINDAM

