

Crucial GST Bills on agenda at council meet today

Council also likely to discuss 'anti-profiteering' clause to ensure tax benefits are shared with consumers

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After thrashing out the contentious issue of administrative turf, Finance Minister Arun Jaitley is set to meet state finance ministers on Saturday for what could be the second-last meeting of the Goods and Service Tax (GST) Council before the expected July 1 rollout of the new indirect tax system.

On the agenda are the ratification of supporting pieces of the GST legislation and a proposed compensation law.

Most of the contentious issues the council has been dealing with, including cross-empowerment or dual control and rate slabs, have been dealt with in the previous meetings.

The 10th meeting of the GST Council to be held at Udaipur would be crucial. The council's consent to the draft integrated GST, central GST, and state GST Bills are required before the first two can be taken up in the Budget session. The Parliament session would reconvene on March 9. Each state's legislature will also have to pass their own state GST laws.

"The GST council meeting on Saturday could be the second-last meeting before the rollout of the nationwide law,"



a senior government official told *Business Standard*. "We could have one more meeting in mid-March. After that, the council may only meet next once the tax comes into existence."

The official said as the draft laws have been examined by the law ministry, getting the GST Council's nod should not be much of a problem on Saturday.

The council could also discuss an "anti-profiteering" clause in the draft laws that would ensure sharing the benefits of lower taxes with con-

sumers. The clause provides for an authority to examine whether input tax credits availed by any registered taxable person, or the reduction in the price on account of any reduction in the tax rate, have resulted in a commensurate reduction in the price of the said goods or services supplied.

The draft laws will also make it clear if ecommerce companies will collect from their customers two per cent service tax and pay it to the government.

The council could also

PAST DECISIONS

Approved GST rates: 5%, 12%, 18% and 28% and a cess above the peak rate for demerit and luxury items such as tobacco, big cars, etc

The deadlock on the issue of administrative control over assesseees was solved in the previous council meeting

The Centre decided to allow states to have

control over 90% assesseees up to ₹1.5 cr of annual turnover

9% of service tax assesseees and 85% of the VAT taxpayeres have a turnover below ₹1.5 cr

Those with an annual turnover over ₹1.5 cr would be assessed by the Centre and the states in the ratio of 50:50

finalise the definition of agriculture and agriculturist and decide on the constitution of a National Goods and Services Tax Appellate Tribunal to adjudicate disputes. The Centre and the states have agreed to provide full compensation to states losing revenue due to GST for the first five years. The base year for calculating the revenue of a state would be 2015-16 and secular growth rate of 14 per cent would be taken for calculating the revenues of each state.