

Panel Moots Revamp to Make GST Less Taxing

Composition scheme for services, deferment of the e-way bill till 2019 among key measures proposed

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New Delhi: A key committee set up by the government to simplify the goods and services tax (GST) has proposed a wide-ranging revamp of the reform that was put in place on July 1 to make compliance easier.

A composition scheme for services, deferment of the e-way bill till 2019 and abolition of the reverse-charge mechanism are some of the key measures proposed by the committee in its report submitted to finance secretary Hasmukh Adhia on Tuesday.

The group has also proposed simplification of return forms and exclusion of exempted goods from aggregate turno-

ver, a person aware of the development told ET. Other suggestions include no interest charges on late payments and input tax credit for building and office infrastructure.

The committee has also suggested allowing those availing of the composition scheme to engage in inter-state sales. Under the composition scheme, those with turnover up to Rs1 crore can opt for a flat tax without the need to maintain elaborate documentation and file returns.

A higher Rs 1.5 crore limit has been approved by the GST Council, but that can be implemented only after a change in the law. The government is eyeing further rationalisation of the GST framework, especially rules and procedures, as it looks to make the new tax more easy for businesses to comply with. The e-way bill refers to a document that's required for the movement of goods worth above a certain threshold. The reverse-charge mechanism relates to the recipient of goods and services paying GST rather than the producer.

Traders and small businesses across

the country have complained about provisions under the new tax as well as the compliance burden it imposes on them. GST replaced multiple state and central taxes and cesses and is aimed at turning India into a common market by removing barriers, thus improving efficiency, reducing costs and boosting growth.

The business community in Gujarat, which goes to the polls this month, has been at the forefront of protests against the new tax regime, especially with regard to compliance. The proposed procedural overhaul is expected to address these issues.

Recommendations by Dec End >> 8

Exporters Get ₹8,450cr Boost in FTP Review



The government announced incentives worth ₹8,450 crore to boost exports and employment

in labour-intensive sectors in the mid-term review of the five-year foreign trade policy (FTP) that was rolled out in 2015. >> 13