

GST panel moots merger of forms, cutting RCM ambit

FE BUREAU

New Delhi, January 11

A WEEK AHEAD of a crucial GST Council meeting that is expected to take steps to ease taxpayers' compliance burden and, at the same time, plug revenue leakage, senior tax officials met in New Delhi on Thursday to finalise the relevant proposals. A merger of triplicate comprehensive tax return forms (GSTR-1, 2 and 3) into one consolidated form,

allowing smaller service providers also to register as composition dealers and restricting the prospective application of the reverse charge mechanism (RCM) to only a handful of goods and services where the potential tax evasion is high, are learnt to be among the key proposals.

Although the Centre and tax officials would like a section of service providers who have a large component of inter-state sales like telecom and financial

services to have the facility of single, rather than state-wise, registration, there is no certainty about its adoption by the council as state governments continue to oppose the idea.

Another major suggestion of the committee is simplifying the return process for nil-tax filers, to ensure that they can file their returns with just one click on the GSTN portal. Nearly 40% of the existing tax filers have claimed nil-tax liability since July.