

Bimal Jain

FCA, FCS, LLB, B.Com (Hons)

Dear Professional Colleague,

GST Bills passed in Lok Sabha– Significant step towards July 1 rollout

“My congratulations to all countrymen on the passage of the GST Bill. New year, new law, new Bharat”

PM Narendra Modi tweeted after the Bills were cleared

Clearing the decks for the July 1 rollout of the ambitious Goods and Services Tax (“GST”) that will subsume 17 major Central and State taxes for a unified tax regime, the Lok Sabha on March 29, 2017 night cleared four crucial GST Bills i.e. CGST, IGST, UTGST and Compensation Cess Bill. The four Bills were tabled in Lok Sabha on March 27, 2017 by the Hon’ble Finance Minister Shri. Arun Jaitley. The passage came after several amendments pushed by lawmakers from the Congress and BJD were defeated after the government sought to clear doubts.

Mr. Jaitley promised the House that the regime will make things "slightly cheaper". *“Today, you have tax on tax, you have cascading effect. When all of that is removed, goods will become slightly cheaper”*, Mr. Jaitley said.

The Finance Minister defended the decision for multiple slabs, saying a one-rate formula was highly regressive as hawai chappals and a luxury car would face the same levy. He then went on to allay fears of food products facing the levy and said all farm goods would be kept out. He said GST on real estate and petroleum goods could be levied once States endorse such a proposal and these would be taken up for discussion later.

Mr. Jaitley defended the anti-profiteering law, saying any rebates should be passed on to consumers. Further, he dismissed the suggestion that Parliament has no power in respect of GST. *“Rates would come for approval in Parliament or state assemblies,”* he said, asserting that there will be parliamentary control. *“Plenary power will be with Parliament or assemblies. We will have to be guided by the consideration... of the GST Council... Consequences of not accepting recommendations would be then everyone can decide to fix a separate law or rate,”* the minister said, adding that allowing for this would create anarchy with 31 assemblies having separate provisions.

As regards Jammu and Kashmir, the Finance Minister said the law passed by Parliament will not apply to the State which will have to legislate its own law and integrate with the GST regime.

“Parliament has accepted the draft approved by the GST Council as it is. We are seeing history in the making. We are going to see a new system of taxation. We seem to be well

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within time. I would say this is an important step forward. I am very optimistic of meeting the deadline.”

Shri. Arun Jaitley, Hon'ble Finance Minister

Steps ahead for July 1 rollout: Focus now on Rules and Rate fitments

Passage of four GST Bills in Lok Sabha is indeed a landmark day in history of India. States will now take up the SGST Bills in their respective assemblies for adoption, which would be more or less the replica of the CGST and UTGST Bills. The Government is simultaneously planning a massive outreach to increase awareness and get stakeholders trained and ready for the tax. The Government has also set up working groups to take up issues faced by various industry sectors to ensure smooth transition to the new regime besides the major countrywide outreach programme mentioned above.

All eyes are now on the subordinate Rules, which will be taken up by the GST Council in its next meeting scheduled for March 31 and subsequently begin work on fitting goods and services in the tax slabs, which will be recommended by a committee of officers next month for the new indirect tax system to be rolled out from July 1 as slated.

Source: Economic Times, TOI etc.

Hope the information will assist you in your Professional endeavours. In case of any query/information, please do not hesitate to write back to us.

Thanks & Best Regards,

Bimal Jain

FCA, FCS, LLB, B.Com (Hons)

Author of a book on Goods and Services Tax, titled, "GUIDE TO REVISED MODEL GST LAW (With Draft Rules on Registration, Payment, Invoice, Returns and Refund)" [3rd Edition]

A2Z TAXCORP LLP

Tax and Law Practitioners

Delhi:

Flat No. 34B, Ground Floor,

Pocket – 1, Mayur Vihar, Phase-1

Delhi – 110091 (India)

Mobile: +91 98106 04563; E-mail: bimaljain@hotmail.com

Bimal Jain

FCA, FCS, LLB, B.Com (Hons)

Tel: +91 11 22757595/ 42427056

Email: bimaljain@hotmail.com

Web: www.a2ztaxcorp.com

We can also be contacted at below mentioned address:

Bengaluru	Kolkata	Dhanbad	Allahabad	Chandigarh
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