

Bangalore Chamber moots centralised body to assess goods, services tax

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Setting up of a centralised assessment authority, staggering the introduction to April 2011 and setting clear road maps for the implementation of the Goods and Services Tax are some of the important suggestions made by the Bangalore Chamber of Industry and Commerce (BCIC) to the Union Government.

ON NEW SCHEDULE

Stressing its point, the new schedule, BCIC said, with the country on the threshold of adopting two other major changes such as International Financial Reporting System and the new Direct Tax Code by 2011, it would only be apt to align the GST also with that schedule for a greater

harmony in the administration of fiscal measures and accounting systems.

CASCADING EFFECT

Highlighting some of the key suggestions made in a note based on its analysis of the discussion paper issued by the Empower Committee of the State Finance Ministers, Mr S. Balakrishnan, Chairman, Indirect Taxes Expert Committee, BCIC, told *Business Line* that no taxing system could completely eliminate the cascading effect.

ON GST

He, however, said that the proposed GST would certainly minimise the effect.

Though GST envisages simple structure to levy, collect and administer the taxes

in the country. It should be supported by a single authority for assessment and administration of levy of taxes to eliminate litigation to reduce costs of assessment and collection facilitating smoother compliance.

EXEMPTIONS

He said while minimum threshold rates and least exemptions would help in achieving higher efficiencies. It was also imperative that all the States joined hands while implementing GST to remove the confusion in the existing originating and destination

principles to avoid levy of taxes twice.

INTRODUCTION OF GST CODE

Introduction of the GST code with complete consensus would make it impractical for any change.

A comprehensive GST code with least ambiguities would help the country emerge as an attractive manufacturing base.

ON REVENUE LOSS

Mr S. Venkataraman, State Taxes Expert, BCIC, said the argument that GST would result in huge revenue losses due to the sub-

suming of several existing taxes was not entirely correct as borne out by the buoyancy of tax collection since the reduced rates of Central Sales Tax and value-added tax system had been in practice.

BRIDGING GAP

Revenue loss of laggard states in the North and North East could still be bridged by stronger macro economic policies of more investments in critical sectors of infrastructure and industrialisation, apart from short term devolution of funds.

Press Clippings about GST Booklet Release in Business Line on 19-01-2010