

GOODS AND SERVICE TAX – NEWS

Mr. Asim Dasgupta, chairman of empowered committee of state finance ministers on Sunday 13 December, 2009 announced on that tax rates in GST legislation may be unveiled within 15 days.

The GST regime would have four slabs which would be:

1. Exempted items list,
2. One standard rate for majority of the goods and services
3. Another having a moderate rate
4. Precious metals - 1% tax.

He also stated this help bring uniformity in tax compliances for industry and to facilitate them to maintain a single book of accounts for both State GST and Central GST tax.

He also said that once the Law Ministry cleared the draft amendments required for the GST, it would be placed before Parliament for approval. *This shows that draft amendments are still not cleared by Law Ministry.*

Some states like Madhya Pradesh, Gujarat and Haryana had sought extension in the GST introduction.

[Comment: Mr. Asim Dasgupta did not give any other hint on the implantation date of GST regime.]