

### **GST roll-out won't be from next April- no timeframe yet- Finmin**

The Finance Ministry today admitted that the proposed Goods and Services Tax (GST) regime will not be implemented from April 1, 2011 and said that no timeframe for the introduction of the new indirect tax system has been set yet. Revenue secretary Sunil Mitra said it would be difficult to roll out GST without constitutional amendments, contrary to the suggestion made by some states.

"No question of it (GST) happening (from) April 1, 2011. Certainly not. It is not possible," Mitra told reporters on the sidelines of a seminar by consultant Skoch.

For GST to be implemented, certain amendments to the constitution are needed, he said.

These amendments require time, Mitra said, adding that the Finance Ministry has not decided on new timeframe for introducing GST.

Originally scheduled to be implemented from the beginning of this fiscal, the GST regime will subsume excise duty, service tax at the Centre's end and VAT on states front, besides some local levies surcharges and cesses

However, differences between states and the Centre over the structure of the new tax regime has led to delays in its implementation. Now, even the revised deadline will be missed.

Constitution amendments are required because, under the current mechanism, the Centre cannot impose tax beyond manufacturing, and states cannot levy service tax.

"Without the constitution provision in place, it would be difficult to bring GST. So, obviously that (the constitutional amendment) has to come first. We have not got that yet. I cannot predict what will happen," Mitra said.

Last month, some state finance ministers suggested an alternative model for GST to the one that was proposed by the Centre.

In fact, Gujarat Finance Minister Saurabh Patel had said it is not useful to discuss constitution amendment unless the issues of autonomy and fiscal flexibility of states are fully addressed