

DTC likely to become effective from FY'14, hopes Pranab Mukherjee

Finance minister Pranab Mukherjee expressed hope that the direct tax regime would become effective from 2013-14.

Responding to a query in a post-budget interaction with industry leaders, he said the DTC legislation would be in place in 2012-13, but "effect would be from the next year onwards".

Standing Committee on Finance headed by Senior BJP leader Yashwant Sinha scrutinised the DTC Bill and submitted the report to Parliament on March 9.

On the changes suggested by the panel in the DTC, Mukherjee said two recommendations, General Anti Avoidance Rule (GAAR) and Advance Pricing Agreement (APA), have already been proposed in the Budget 2012.

DTC will replace the Income Tax Act, 1961. On the proposed Goods and Services Tax (GST) regime, the Finance Minister said the government was working on a model legislation for the new indirect tax regime.

"So far the progress is GST is concerned, I can share with you that only model legislation we are working," he said and stressed upon political consensus for early implementation of the legislation.

The GST Constitutional Amendment is currently with the Standing Committee on Finance.

The proposed GST would subsume most indirect taxes like excise duty and service tax at the central level and VAT on the state front, besides local levies.

(Economic Times)