

Goods and Service Tax will be reality soon: JD Seelam

Despite failing to get the Goods and Service Tax bill passed, government expressed the hope today that the proposed comprehensive indirect tax reforms would see the light of day in near future.

"I hope that good sense will prevail and GST will be a reality," Minister of State for Finance J D Seelam said at a function organised by Central Board of Excise and Customs.

"I wish that we would have got the required political support. We spoke to finance minister of different states. It is unfortunate that we could not get the required consensus," he said.

The government in 2011 introduced a Constitution Amendment Bill in the Lok Sabha which seeks to pave the way for the GST regime, which aims at subsuming most of the indirect taxes at the central as well as the state level. The Bill could not be passed due to lack of consensus.

GST, which seeks to subsume various indirect taxes like excise, sales and service tax, was proposed by the Atal Bihari Vajpayee-led NDA government and subsequently supported by Congress-led UPA government.

Seelam said tax officials should be facilitators rather than just tax administrators.

He also said that tax administration needs to be tax-payer friendly and the system should be stable so that entrepreneurs know well in advance about their liabilities, making it easier for them to make provisions accordingly.

There is a need to widen the tax base, he said, adding that there is need to simplify the tax procedure and make it more transparent.

Speaking on the occasion Finance Secretary Sumit Bose said GST is the next major step which all stakeholders are waiting for and a lot of hard work has gone into making the proposals.

"We are ready for taking a step to introduce GST in the country. I think it will happen soon and everyone has been working towards it," Bose said.

Some streamlining of processes and procedures in service tax and excise duties is being done in order to pave the way for GST, the Secretary said.

"GST, when it comes, would be a game changer and we are working towards central government and state governments in their own way," he added.

GST is touted as a more efficient taxation system that is likely to increase tax revenues and widen the tax net.

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