

Government working for early implementation of GST: Pranab

The central government is working closely with the state governments for early implementation of the unified goods and services tax (GST), the most significant reform in the history of indirect tax system, Finance Minister Pranab Mukherjee said Wednesday.

"We are working with the state governments for an early implementation of GST," Mukherjee said after presenting the presidential awards to the officers of customs and central excise at a ceremony here.

"Towards this end, an IT network called GSTN is being created to ensure integration of the tax systems of the centre and the states. Once implemented, GST will bring about a paradigm shift in the arena of indirect taxation in the country," he said.

Mukherjee said the proposed reform would help boost tax revenues for central as well as the state governments.

Under the GST regime, uniform taxes will be levied by the central and the state governments through a common system of tax collection. "GST is expected to be a more efficient system of taxation and is likely to give a boost to the tax revenues of the centre and the states," he said.

Implementation of the proposed tax reform has been delayed due to opposition from some of the state governments, especially the Bharatiya Janta Party (BJP)-ruled states like Madhya Pradesh, Gujarat and Karnataka.

The finance minister said the new taxation system will help "remove barriers amongst states and convert the entire country into a common market".

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