

## **Govt hopeful of breaking opposition unity on GST bill**

The Biju Janata Dal (BJD) on Tuesday joined the Trinamool Congress in dropping its demand that the constitutional amendment Bill for a goods and services tax (GST) be referred to a parliamentary standing committee on finance. This could pave the way for the Bill to overcome the Rajya Sabha hurdle and be passed in the current session of Parliament.

The Lok Sabha resumed discussion on the Bill on Tuesday, with the Speaker rejecting the demand that it be referred to a parliamentary standing committee. Only the All India Anna Dravida Munnetra Kazhagam (AIADMK) opposed the Bill, saying as a manufacturing state, Tamil Nadu would lose revenue from the new tax structure.

The Congress, the Left parties and the BJD said they supported the Bill, but wanted it to be referred to a standing committee. They argued the Bill introduced by Finance Minister Arun Jaitley had seen several modifications compared to that studied earlier by a parliamentary standing committee. Later, however, the BJD dropped its demand.

The Lower House is likely to conclude its discussion on the Bill on Wednesday, and it is expected it will be passed by the requisite two-thirds majority of at least half the strength of the House. The National Democratic Alliance (NDA), along with the Trinamool Congress and the BJD, will be able to muster a two-thirds majority in the House.

Parliamentary Affairs Minister M Venkaiah Naidu on Tuesday held a meeting with floor leaders of NDA allies to ensure all treasury bench MPs are present at the time of voting on the Bill in the Lok Sabha. The Congress could stage a walkout at the time of voting to protest the government “bypassing the parliamentary standing committee”, party leaders said.

Subsequently, the Bill will be sent to the Rajya Sabha, where the NDA is in minority. Prospects of the Bill being passed in the Upper House without it being sent to a select committee will brighten if the Trinamool Congress (12 MPs) and the BJD (seven MPs) continue to support the government. The government is also trying to persuade the Janata parivar parties (30 MPs), Bahujan Samaj Party (10 MPs), 'independent' and nominated members to support it on 'procedural issues' related to the key economic reform legislation.

The Congress (68 MPs), the Nationalist Congress Party (6 MPs), left parties (11 MPs) and Tamil Nadu parties (AIADMK 11 and DMK 4 MPs) are likely to maintain in the Upper House that the Bill be sent to a House select committee.

The decision on whether a bill be referred to a parliamentary committee is settled by a majority of votes of those present in the House. The government also has the option of agreeing to a time bound select committee, which the House can direct to give its report before the Rajya Sabha session ends on May 13.

Today, Jaitley argued that the GST Bill, if sent to a parliamentary panel, would deny the benefits to the states by another financial year as the deadline of April 1, 2016 will be "missed". At least half the state legislatures need to pass a constitutional amendment after the two Houses of Parliament pass it. This is likely to happen during the monsoon sessions of state legislatures. Once the constitutional amendment is passed, the government plans to introduce the GST Act during the winter session.

Jaitley said a "broad consensus" already existed between the Centre and states on the Bill. He said Trinamool ruled Bengal and BJD ruled Odisha will be the biggest beneficiaries once the GST is implemented. Congress MP Adhir Ranjan Chowdhury reminded Jaitley that as the opposition leader he had termed the UPA's GST bill as "tax terrorism".

*(Business Standard)*