

MAHARASHTRA finance minister Sunil Tatkare has put a spanner in the Centre's plan to introduce the Goods and Services Tax (GST) from April 1, 2010. "It is not achievable," the minister said on Thursday.

In fact he wants the Centre to defer its implementation by another year.

"Some issues such as dual authority of the Centre and states over the tax-payer are a cause of concern though we welcome the Centre's initiative," Mr Tatkare said here on Thursday. "The problems facing us are unique and we are looking for innovative solutions," Mr Tatkare said. Pending resolution of these issues, the Maharashtra government has requested Union finance minister Pranab Mukherjee to introduce the GST from April 1, 2011.

"Tax reform of this magnitude is not possible without active support from all stakeholders," he said. He also mentioned a few other unresolved issues such as GST rates and rate structure, constitutional amendments or balancing act between a state's autonomy and harmony in tax structure across the country.

"We would take all the necessary steps to ensure that the legislation process for its compliance is kept very simple and easy. We want our tax regime to be friendly," Mr Tatkare assured. Although the Centre is taking great initiative to push reforms, a lot of ground work has to be done before that, he said. The implementation of the GST would reduce the tax burden on the industry with removal of the cascading effect of indirect taxes, simplifying the tax structure and also helping reduce tax rates due to widening of the tax base.

The Centre had earlier said that the GST would help lower the incidence of taxes by avoiding cascading effect of multiple levies. "Proposed GST would help achieve common market for goods and services at lower tax rates, avoiding cascading effect of these taxes," finance minister Pranab Mukherjee had said.