

Parliament passes GST Bill, PM Modi says it will end tax terrorism

The long-delayed GST Constitution bill was passed by Parliament on Monday, marking a historic step for tax reforms. Prime Minister Narendra Modi said GST was "crucial" for ending tax terrorism besides reducing corruption and black money.

The GST will make consumer the "king", PM Modi said thanking all parties for their support to the Bill.

The Constitution (122nd Amendment) Bill, which was passed by the Lok Sabha in May 2015, was taken up again by the Lower House to approve the changes made in it by the Rajya Sabha last week.

The government had moved six official amendments, including scrapping of 1 per cent additional tax, to the bill which were approved by the Upper House.

After a six-hour debate, the Lower House passed the bill with all the 443 members present voting in favour after AIADMK members staged a walkout while opposing the measure.

PM Modi, while intervening in the debate, said the passage of the Bill reflected "maturity" of the Indian democracy as such a crucial legislation was approved with consensus rather than on the basis of numbers.

He hailed it as a "great step by team India" that will help transform the economy, bring in transparency and bring in the system of "one country one tax".

He emphasised that the passage of the bill by Parliament was not a victory of any party or government but was everybody's victory as it highlighted the success of the democratic ethos of the country.

Jaitley, while replying to the debate, said the tax rate under the GST regime will be kept at "minimum workable rate" as no state government can annoy its people by having a higher rate. He said the rate will be decided by the GST Council.

He, however, virtually ruled out an assurance that the GST legislation will not be brought as Money Bill, a key demand of opposition Congress.

The bill will now have to be ratified by at least 16 of the 29 state assemblies, which the Prime Minister hoped would be done at the earliest.

"A memorable day for our democracy. Today we have taken a historic step in the journey to free the nation from the menace of tax terrorism," the Prime Minister tweeted later.

"GST will benefit the consumer and small business, which are our nation's strength. Due to GST transparency will be enhanced. Its a win-win," he added.

Describing the passage of the bill as victory of democracy, Modi, while speaking in Lok Sabha, coined the GST in a new manner -- 'Great Step by Team India', 'Great Step towards Transformation', 'Great Step towards Transparency'.

Noting that the GST bill had been firmed up after thorough "churning of ideas", he expressed happiness that it was being passed through an unprecedented consensus.

Modi said he had held consultations with his predecessor Manmohan Singh and Congress president Sonia Gandhi on the issue, giving equal importance to Rajya Sabha and Lok Sabha.

"Rashtra Niti (national interest) is above Raj Niti (politics)," he said, adding GST will prove to be a catalyst in strengthening trust between the Centre and the states as everything will be transparent.

"I thank all political parties, as also state governments run by different parties. We are taking such a decision ... we have reached here after churning in Lok Sabha, Rajya Sabha, 29 states, their representatives and 90 parties. We are putting a stamp on the final decision," he said.

Underlining that the development marks the "recognition of One India" and strengthens this concept, he said, "We are aligning ourselves with new taxation regime GST is a new 'moti' (bead) in this 'maala' (necklace)."

He said his government's focus is economic and educational empowerment of the poor and mitigation of poverty.

Modi asserted that the GST will benefit mainly those states which are considered backward and address the problem of imbalanced development.

He acknowledged that manufacturing states will suffer losses but said they will be compensated.

"August 8th marks a crucial step towards freedom from tax terrorism," the Prime Minister said, while recalling that this was the day in 1942 when Mahatma Gandhi had sounded the bugle of 'Quit India' which marked a major step towards the country's Independence.

"GST can't be seen as a victory of a party or government. It is the victory for democratic ethos of India and a victory for everyone," he said, while noting that the measure was being supported by all parties, irrespective of different ideologies.

The Prime Minister said the new indirect taxation regime, which will subsume 7-13 taxes, will help end corruption as traders will be compelled to give proper bills and the consumer will be the "king".

It will also help reduce the problem of black money and lead to generation of jobs by benefitting the small traders and entrepreneurs, he said.

Talking about benefits of GST, Modi said it will usher in simplification of procedures like filling of forms and bring about uniformity of tax rates and processing.

Responding to Congress' contention that GST was its idea being implemented by the NDA government, the Prime Minister acknowledged that all political parties and previous governments had contributed to making of the bill.

In this context, he quipped, "janam koi de, lalan palan koi kare. Krishna ko janam kisne diya, bada kisne kiya? (somebody may give birth, but someone else may nurture. Who gave birth to Lord Krishna and who brought him up?)"

At the same time, Modi said, "we do not have 'guroor' (arrogance) that his bill is the perfect one" even though "so many brains have made an effort which will have results".

"It (making of GST) is a result of churning but it is true that we cannot be perfect and it cannot be ensured that in future there would not be any drawback," he said.

Underlining that everyone dreams for "Ek Bharat Shreshtra Bharat' (One India, Great India)," he said, "this is not just a taxation system but all states and the Centre will develop a system where small or big accept it."

He expressed happiness that GST bill was not allowed to be politicised and rather became a national matter.

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