

Stage set for GST to become law

Ratified now by more than half the 29 States, the amendment requires only the President's assent.

Odisha became the 16th State to ratify the constitutional amendment that will pave the way for the roll-out of the Goods & Services Tax (GST). Ratified now by more than half the 29 States, the amendment requires only the President's assent — which, it is expected, to receive expeditiously — before the Centre can notify it.

“We will approach the President for his assent to the constitutional amendment as soon as we receive from the 16 States their legislative resolutions ratifying it,” Revenue Secretary Hasmukh Adhia told *The Hindu*. “From the point of view of the constitutional requirements, no more States need ratify the amendment. However, the more the merrier.”

He said the requisite ratifications were in place seven days ahead of the schedule that the Finance Ministry had drawn up for implementing the GST.

‘States have no choice’

Following the notification of the Constitutional (122nd Amendment) Act, 2014, no State will be able to remain outside the GST regime. Upon its notification, all States will lose the powers to levy and collect value-added tax, Dr. Adhia said.

This will be regardless of whether a State has ratified the amendment or not, he said. Further, to receive a share in the revenue collected from the GST, a State will have to pass the model GST laws. “There will be no choice ... all States will have to come on board,” he said.

Even States such as Tamil Nadu — where the ruling All India Anna Dravida Munnetra Kazhagam has been opposing the GST in its proposed form, and walked out of the Rajya Sabha at the time of voting on the amendment last month — are participating in the ongoing discussions for thrashing out the GST's roll-out, Dr. Adhia said.

After the notification, the Centre and the States will immediately move to set up the proposed GST Council. Union Finance Minister Arun Jaitley had earlier indicated that the Empowered Committee of State Finance Ministers itself is likely to be made the Council. While the committee is headed by West Bengal Finance Minister Amit Mitra, the council is expected to be chaired by the Union Finance Minister.

Dr. Adhia said that work at both the back and front ends was going on simultaneously for ensuring that the new tax, which will subsume all indirect taxes and levies, could be rolled out from the target deadline of April 1, 2017.

This includes the technical support systems as well the Central and State rules that will have to be in place before then.

Earlier, starting with Assam, Maharashtra, Haryana, Bihar, Jharkhand, Himachal Pradesh, Chhattisgarh, Gujarat, Telangana, Madhya Pradesh, Delhi, Mizoram, Nagaland, Sikkim and Goa ratified the amendment.

PTI adds:

It can now go to President, says Jaitley

The government will seek the Presidential assent for the landmark Constitution amendment Bill for the GST, as 16 States have ratified the legislation, Finance Minister Arun Jaitley said on Thursday.

“The requisite number of States have ratified the GST Constitution Amendment Bill and now it can go for Presidential assent,” Mr. Jaitley tweeted.

The government plans to roll out the new indirect tax regime from April 1, 2017.

After the Presidential assent, the government will notify the GST Council. Union Finance Minister will head the Council, which will comprise State Finance Ministers.

Source- The Hindu dated 02-09-2016