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# Govt wants GST rates to be as reasonable as possible: Mani

As regards tax rates in the GST regime, the government has taken a view that the rates are to be as reasonable as possible to ensure success of the new tax system, said Mani, the Kerala Finance Minister, while addressing an Assocham conference on GST.

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The Chairman of Empowered Committee on GST, K M Mani said the Centre wants tax rates under the new regime to be as reasonable as possible to ensure its success. As regards tax rates in the GST regime, the government has taken a view that the rates are to be as reasonable as possible to ensure success of the new tax system, said Mani, the Kerala Finance Minister, while addressing an Assocham conference on GST. The committees constituted for the purpose are working on various parameters to arrive at a uniform tax rate that will be reasonable and acceptable to all stakeholders, including consumers, Mani said. "Government is fully aware that high tax rates would defeat the very objective of GST", he said at the conference in Bengaluru. "I know that certain anomalies such as one per cent additional tax for two years, keeping the petroleum products out of GST for some time are commented upon by the industry which fears they could break the GST chain", he said. "But you may appreciate that in such a diverse country, reaching this stage itself is a wonder and taking all the interests will require some such short term pains. We have to live with that for long term gains", he said. In this regard, he said Assocham and their members have a great role to play in creating awareness and sensitising the industry for getting ready with the change. "I am optimistic that the spirit of co-operative federalism and collective efforts of the Centre and the states are going to be instrumental in the introduction of Goods and Service Tax in India in the next fiscal 2016-17 itself", he said. The sub-committees constituted earlier for preparation of blue prints for the business processes on registration, payments and refunds, revenue neutral rates, threshold limit, dual control and the GST laws have already submitted their reports, he added. GST will strengthen the economy, lead to significant growth in GDP, increase tax compliance and bring benefits to trade and industry, Mani said. On the 'GST Network', the work of the company set up to provide the technology backbone to introduce GST and to connect the databases of states and the Centre is proceeding satisfactorily and that "the Total Solution Provider for GST Network is already fixed". It may be recalled that the GST Bill has already been approved by the Lok Sabha and is pending in the Rajya Sabha, where the ruling NDA does not have a majority. After its approval by Parliament, half of the state legislatures too need to approve the Constitutional Amendment Bill to bring GST as a replacement to all indirect taxes. GST will subsume excise, service tax and other local levies.

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The government had fixed the GST roll-out date as April 1, 2016.  
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