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'Consuming states like UP may benefit'

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Lucknow: Uttar Pradesh, Bihar and other in the northern region, known as consuming states, are likely to benefit as compared to manufacturing states like Maharashtra and Gujarat under the Goods and Services Tax (GST) regime, said chief commissioner of customs and excise Sheo Narayan Singh.

Part of the two-member high-level committee formed by chief minister Aditya Nath Yogi for the implementation of the GST in the state, Singh also claimed that the new tax regime was a classic

case of deliberative democracy and cooperative federalism as it would benefit both the Centre and the states without hurting anyone's interests.



Talking to TOI after inaugurating the GST building in Gomtinagar, Singh said that once the GST will be implemented from July 1, other taxes like customs, excise taxes, trade, commercial and the service tax would be merged with it. "It would be true unification, with only one tax throughout the length and breadth of this vast and diverse nation," he said.

► **Small traders, P 9**

Small traders with turnover up to ₹20 lakh to be exempted

► Continued from P 1

Singh at present is holding the charge of four other states, including Bihar and Delhi, in pushing the GST implementation in and leading the awareness campaign among the trading communities and consumers. An acclaimed motivational leader, he had a meeting with Yogi before the GST bill was tabled in the House two days back.

During this meeting, the CM constituted a two-member committee comprising him and principal secretary institutional finance, RK Tewari. This panel would supervise the implementation of the GST and also remove the hurdles and barriers through mass awareness.

Singh admitted that while the tax was going to be implemented from July 1, there was an urgent need for dispelling the fears and confusions in the mind of sellers and consumers. "Once the GST is implemented, small trader with income up to Rs 20 lakh per annum would be exempted. In northern-eastern states, this limit is less than Rs 20 lakh. By such provisions, the government has taken care of the interests of small and marginal traders," he added.

Secondly, he said, there are no hassles for the traders as the government machinery itself is reaching out to them for their registration in the goods and services tax network (GASN) and by now 80% traders have already been

NEW TAX REGIME

► No tax on small traders with annual turnover up to ₹20L

► Consuming states like UP to gain in GST regime

80% traders of UP already registered

Goods and services taxes to be merged into one

Tax haven culture to go in uniform tax regime

registered while the remaining 20% would be covered in a few weeks.

Singh, an author of several books, recalled that when computers were introduced in the country in the early 80s, then opposition had protested it by reaching Parliament by bullock carts, saying that it would lead to joblessness. But the fear was found to be totally baseless. "Same is the case now. But, I can promise that this is the best tax system the government has implemented and it would reduce the multi-

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layered, multi-structured taxes," he said.

Explaining the new GST regime and how will it benefit both the states and the Centre, Singh said that in case of intra-state movement of goods, 50% each tax would be charged by the Centre and the state – first the Centre would realize the tax and then it transfer it to the states.

"Centre has already clarified that in case the manufacturing state lose revenues in the first five years, it would compensate their losses," he said, adding "and to top it all, in the new regime, goods and services tax would be merged. Earlier, if a consumer would buy an AC, he was to give tax on the product (good) and then again on its installation. After July 1, the tax will have to be given only at the time purchasing the AC."

Singh said that a series of interactions with the traders and the general public have been planning for creating general awareness to remove any fears in the minds of the people.