

GST BULLETIN

Bhasin Sethi & Associates

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[GST council clears SGST and UGST laws](#)

The Goods and Services Tax (GST) Council, headed by Finance Minister Arun Jaitley, on Thursday approved the remaining two crucial supplementary bills — State GST (SGST) and Union Territory GST (UTGST) – making the proposed July 1 implementation of the country’s biggest tax reform seem like a reality. Final drafts of the three other bills Integrated GST (IGST), Central GST (CGST) and Compensation bill were cleared by the Council in its previous meeting.

Now with all five draft laws being given the green signal

[Cabinet approves the supporting GST laws](#)

The Cabinet today has approved the supporting GST legislations, which will then be introduced in Parliament as the government sprints to meet the July 1 target date for rollout of the new indirect tax regime. A set of four supporting legislations, the Compensation Law, the Central-GST or C-GST, Integrated-GST or I-GST and Union Territory-GST or UT-GST have been taken up and approved by the Cabinet.

by the Council, they will next be sent to the Cabinet for approval and subsequently to Parliament, which is currently in session, for the final nod.

Further, the consent from both Lok Sabha and Rajya Sabha would conclude the legislative requirement for the rollout of the new indirect tax regime.

COMMENT: The Government mover closer to the July 1st deadline for the implementation. This is huge step towards and once these bills get the cabinet nod they

The GST Council, in its previous two meetings, had given approval to the four legislations as also the State-GST (S-GST) bill.

While the S-GST has to be passed by each of the state legislative assemblies, the other four laws have to be approved by Parliament.

will be introduced in the parliament.

[Delhi government to set up a cell to help traders](#)

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The Delhi government may soon set up a dedicated cell in coordination with an industry body to address issues of traders pertaining to the Goods and Services Tax (GST). Addressing the ‘CII Delhi State Annual Session’, Deputy Chief Minister Manish Sisodia said he wants to set up the cell in coordination with the Confederation of Indian Industry (CII) to help small traders “understand” GST which is expected to come into effect from July 1.

Comment: It would be helpful to traders and would a great initiative to reach out to them.

COMMENT: This is a big stride towards swift implementation of GST.

Luxury goods capped at 15%

GST Council on Thursday cleared a proposal to cap the cess on luxury cars and aerated drinks at 15 per cent over the peak rate of 28 per cent and the ceiling for the cess on “sin” goods would be much higher. It is believed that the cap would be much higher for pan masala and tobacco at 135%. However, the actual cess would be lower in accordance with the current indirect taxes on these goods. The cap would give headroom to the authorities to increase the cess in the future.

Comment: This would be a huge setback for the industry.

Department to workout impact on inflation

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The revenue department will calculate GST impact on inflation before the fitment committee starts fixing rates for various goods and services, to minimise price rise once GST is rolled out. According to officials of the revenue department, an “exempted list for both goods and services” will be drawn up, and GST rate for majority of the items, which have high weightage in the CPI basket, will be fixed close to the current tax rate so that there is not much burden on assesseees.

“The fitment of rates would be done in a way to ensure items which have more weightage in CPI basket are not affected. We will do internal calculation to make sure that rates do not affect CPI-based inflation,” an official said.

COMMENT: This is a very important exercise to ensure that the final consumer is not burdened by the GST roll out and the prices of the goods stay intact.

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