

GST BULLETIN

Bhasin Sethi & Associates

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GST Council to meet on January 16 to resolve the issue on dual control

The GST council will yet again meet on 16th January to resolve the issue of dual control, tax on high sea waters and also decide the compensation to be paid as this particular issue was back on table due to demonetization. One of the main targets of the council would be to decide the issue of dual control.

With just about a fortnight left for the presentation of the Union Budget 2017-18

Centre and state government to come up with solution for GST on high seas

The Central and State Governments are looking at formula to sort out the issue over levying goods and services tax on the high seas by letting the central government collect the tax and pass it on to the states.

It is believed that this formula was proposed by Karnataka law ministry to check if any constitutional issue arises.

(February 1), the meeting will also decide the Centre's course of action on its policy proposals.

While Finance Minister Arun Jaitley and his team is keen to maintain control over service tax payers, States are pushing for dual control.

COMMENT: The April 1st rollout looks more and more uncertain amidst all the issues which are yet to be

Government. With a case pending in the Supreme Court challenging the states' power to levy taxes, the Centre has so far maintained an arms-length distance but with taxation on high seas becoming a constitutional issue, it is now expected to play a more active role.

COMMENT: The issue is as of now in SC. The Centre is believed act accordingly after the verdict. However, taxing on

discussed. Consensus on dual control is the most important one of them.

Excise and Service tax payers to migrate to GST portal by January 31

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As the Government targets April 1 rollout of GST, the CBEC in order to be ready for it has asked the assesseees to migrate to the new tax payment portal by January 31. The tax department has also made it mandatory for central excise duty and service taxpayers to obtain a valid PAN number before they can be migrated to the GST set-up. Once the existing registered taxpayers login to CBEC's Web Portal, a facility will be given in a secure manner to access the provisional login ID and password given by Goods and Services Tax Network (GSTN).

COMMENT: The assessee shall register for smooth and hassle free transition.

high sea water would be a huge loss to the industry.

IEEMA seeks for inclusion of electricity in GST regime

The Indian Electrical and Electronics Manufacturers Association has sought for inclusion of electricity within the ambit of GST in order to lower the Minimum Alternate Tax and duty free imports for electricity meter parts.

IEEMA in its pre-budget memorandum to the Ministry of Finance for consideration has made numerous suggestion on various issues related the electrical equipment industry.

COMMENT: This would be profitable to the industry as the inclusion of electricity and electrical equipment and MAT rate levied by the States is considerably very high.

GST to be less burdensome for industries

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Revenue Scretory Hashmuk adhia has said that Goods and Service Tax would be simple and less burdensome for the industries as it will be a single rate indirect tax which could be discharged by debit/credit cards, cheque and NEFT. HE further added that GST will make it easier for traders and industry to access Input Tax credit and also ease compliance burden as the entire country will become a single market.

“We are working overtime to make it a reality as early as possible. Our target date is April 1, 2017, and we will see it that we try our best to bring it to people” said Adhia.

Further, Explaining the procedure of tax payment under the new tax regime, he said GST is a single tax and Integrated GST on cross border movement of goods and services is only an “interim” tax for which input tax credit can be claimed.

COMMENT: It would be a simple tax regime and less burdensome for the industry as transaction can be made digitally also.

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