

# **Framework for New GST in India**

**Satya Poddar: Panel Chair**

# Framework for GST in India (1)

- **Update on the status of the Constitutional Amendment Bill, agreements that have been reached, and the remaining points of friction . GSTN and the progress made in drafting the law.**
- **Prospects of an early implementation of the GST. Will it be the GST the game changer? Or will it be such a compromise product that it will not constitute a positive reform of the indirect tax system. Why are the States opposed to inclusion of petroleum and alcohol within the scope of the GST? Are the delays in the GST harmful for the economy, and hurting investment and economic growth. What could the governments do to minimize the negative effects, pending the implementation of the GST.**

# Framework for GST in India (2)

- **Dispute about subsuming of the Entry Tax. What is wrong with this tax and why should it be subsumed? What is the latest jurisprudence on the constitutional validity of the entry tax. What is the status of the LBT in Maharashtra and why are the dealers opposed to it? If the entry tax is subsumed in the GST, how can the States be compensated for the revenue loss?**

# Framework for GST in India (3)

- **Retrograde changes being made in the State VAT laws. Rather than aligning the VAT laws to the GST, States moving in the opposite direction, eg deviating from the harmonized VAT design, blocking input tax credits, providing exemptions and hiking tax rates. Given this experience, should the GST be applied in all of the States, with no opting out provision? Should the States be given flexibility to have different rates, exemptions, and registration thresholds, or required to conform to the single design recommended by the GST Council.**