

[Government pushing GST to meet April, 2016 deadline](#)

Even though Parliament's Monsoon Session could not turn into success, the Indian Government did not step-back and has been significantly working towards the success of Goods and Services Tax (GST) to be able to meet the April, 2016 deadline. The Government has pressed the pedal on the much needed administrative ground work for rolling out the ambitious Indirect tax reform on time.

IT Infrastructure:

As per the Revenue Minister, the IT Infrastructure for GST implementation is being kept ready, so that as soon as the legislation gets approved, the revenue department will be in a position to take the necessary follow-up actions in terms of ordinary legislations and executive actions required for its support.

It also plans to use Large Taxpayers Units (LTU) for registration of services that are pan-India in nature, such as banking, insurance and telecommunications.

Draft Legislation:

The Central Board of Excise and Customs ("the CBEC") has set up an exclusive directorate and is also training around 500 officers, who will further train others. These officers are involved in preparing three draft legislations - Central GST, State GST and Integrated GST.

As stated by the Revenue Secretary, three different committees are preparing the said three legislations and these committees include senior CBEC officers, officers of department of revenue and of the finance and taxation department of State Governments. Out of the three committees, one has already finalised the draft, and the other two are expected to finish by September 15, 2015.

The Two Verticals:

Two dedicated verticals are being created to deal with policy and implementation of the new tax regime by the CBEC. The said verticals are being set up for performance management and taxpayer services respectively to be able to respond timely to the GST requirements, keeping in mind the Government's resolve of maintaining ease of doing business. The new directorate of taxpayer services will have the power to mandate third-party audits and studies to ascertain the satisfaction level of key stakeholders with tax practices so that corrective steps can be taken.

Special Session:

The Prime Minister, Mr. Narendra Modi's reform agenda suffered a major blow on Thursday, August 13, 2015, when the lawmakers ended the Monsoon Parliament session without approving the much awaited Constitution (122nd Amendment) Bill, 2014 on GST ("GST Bill") with the Rajya Sabha adjourning sine die.

In the hope of making GST a reality by the set deadline, the Modi Government is pondering over calling a Special Session of the Parliament in the second week of September to pass the GST Bill and is also in talks with all political parties to get the requisite 2/3 majority in Rajya Sabha where the NDA is in a minority. As per senior Ministers, the Session is expected to be a two and a half day or three day affair.

Congress's take on convening the Special Session:

Even though most of the parties are on board for the GST Bill, Congress wants the tax rate at 18% to be incorporated into the law. The same has been found difficult by the Government to accept as this decision should be left to the GST Council. Also the reduction in Centre's weightage in the council is not agreeable.

The Modi Government is trying to rally support and put Congress under pressure by arguing that, it would be in "national interest" to back the reform to help India avoid a blowback from the Chinese crisis.