

Govt doesn't have the numbers to pass GST: Kerala finance minister

The central government is trying to push the draft GST bill before the winter session ends, as it tries to roll out the new indirect tax regime by the 1 April deadline

Kerala finance minister Thomas Isaac on Monday said he is almost sure the central government will not be able to present the supporting legislation for the goods and services tax (GST) in this session of Parliament.

The central government is trying to push the draft GST bill before the Parliament's winter session ends on 16 December, as it tries to roll out the new indirect tax regime by the 1 April deadline.

There are four supporting bills for GST—central GST (CGST), state GST (SGST), compensation for revenue losses to states and integrated GST (IGST). Except the SGST bill which needs to be cleared by state legislatures, the other three have to be cleared by Parliament.

"Whether the (administrative) control over those with an annual revenue of less than Rs1.5 crore should be given to the states, or should be handled by states and centre together, is only a problem of pragmatic administration. But that has become the stumbling roadblock now," Isaac said in a Facebook post.

"States are peeved by the centre which is sticking to its position. Seventy-five per cent government employees are from the states. States share a good rapport with small traders (taxpayers below a threshold of Rs1.5 crore). The reasons (for giving administrative power to states) go on," Isaac said.

Mint reported Monday that the prospects of these bills being tabled in the ongoing session are dim unless the government decides to extend the session.

In the backdrop of the latest meet of the GST council ending without consensus on Saturday, Isaac wrote, "It is almost sure that the GST bill will not be presented in this Parliament session."

The GST council is supposed to meet again on 11 and 12 December, which could be the final chance for the centre to get the nod of the council on the draft laws before the end of the winter session. Every decision of the GST council needs to be taken with a three-fourths majority and this may not happen, Isaac said.

While the central government's vote will carry a one-third weight, votes of all state governments put together will have a two-thirds weight.

"To get a three-fourth majority, the centre needs the support of at least 16 states... The central government does not have those numbers, given the political equation within the council right now," he said.

(Live Mint)