

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3512

ANSWERED ON:16.04.2010

IMPLEMENTATION OF DIRECT TAXES CODE AND GST

Ahir Shri Hansraj Gangaram;Shivanagouda Shri Shivaramagouda;Tewari Shri Manish

Will the Minister of FINANCE be pleased to state:

- (a) the status of consultations on the Direct Taxes Code (DTC) Bill 2009;
- (b) the time by which the government proposes to introduce the said Bill in the House;
- (c) whether the Government is committed to bringing the DTC into force on the 1st day of April, 2011;
- (d) if so, the details about the status of implementation of the Goods and Services Tax (GST);
- (e) whether the Government has a new deadline in mind for the introduction of DTC and GST;and
- (f) if so, the reasons for delay in implementing the DTC and GST?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) to (c) : The draft Direct Taxes Code was released on 12th August, 2009 for public discussion. The process of consultation with different stake holders has been completed. A number of suggestions have been received from members of the public which are being examined. After analyzing these inputs, the Government proposes to introduce the final version in Parliament so as to be in a position to implement the Direct Tax Code from 1st April, 2011.

(d) to (f) : Implementation of the Direct Taxes Code and the Goods & Service Tax are not directly connected. On the Goods and Services Tax side, the focus has been on generating a wide consensus especially with State Governments, on its design. The first Discussion Paper on Goods and Services Tax has been released by the Empowered Committee of the State Finance Ministers (EC) on 10th November, 2009. Empowered Committee (EC) has taken up re-examination of the GST model with a view to suitably incorporate changes suggested by Government of India. EC has constituted three Sub Working Groups (SWGs) consisting of the officials from State Government as well as from Union Government to work out details like treatment of interstate trade, place of supply rules for charging of service tax, when States also start getting a share, and list of exempted Goods and services etc. These SWGs have submitted their reports which are under consideration of the Empowered Committee at present. The Ministry of Finance is engaged with the Empowered Committee to finalise the structure of GST as well as the modalities of its expeditious implementation. It is the Government's earnest endeavour to introduce GST in April 2011.