

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1009  
ANSWERED ON:10.07.2009  
GOODS AND SERVICES TAX  
Pratapsinh Shri Chauhan Prabhatsinh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to introduce the Goods and Services Tax (GST) instead of the Central Sales Tax (CST) from the financial year 2010-11;
- (b) if so, the details thereof;
- (c) whether the States have been consulted in this regard;
- (d) if so, the reaction thereto;
- (e) whether some States including Gujarat has urged to put in place a nation-wide IT network for smooth coordination of inter-state taxation procedures; and
- (f) if so, the details thereof and reaction of the Union Government thereto?

**Answer**

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

(a) to (d). Yes, Sir. The budget speech of 2006-2007 contained a proposal to introduce Goods and Services Tax (GST) with effect from April 01, 2010. It has been reiterated in the budget speech of 2009-10 that the process for smooth introduction of GST with effect from April 01, 2010 would be accelerated. The proposed GST is not instead of CST alone, but would also subsume many other Central and State taxes. The Empowered Committee of the State Finance Ministers (EC), on the request of Central Government and after due consultation among States, has prepared a model and roadmap for the GST. The Central Government has given its suggestions to the EC on the model. The Centre and the States have agreed upon the basic structure in keeping with the principles of fiscal federalism enshrined in the Constitution. The broad contour of the GST model is that it will be a dual GST comprising of a Central and a State GST.

(e) & (f). Government of India and the States, including Gujarat, together fund on equal basis, a nation-wide computerisation project called 'Tax Information Exchange System (TINXSYS)' to enable exchange of critical data on inter-State sale among States. To facilitate the development of capability in States to share their data through TINXSYS, the Government of India also supports projects for computerization of various State VAT administrations. Government of India has sanctioned financial assistance for projects in the North Eastern States, Himachal Pradesh and Jammu & Kashmir. The budget for 2009-10 has provision of Rs. 408 crore for a Mission Mode Project, to provide financial support to computerisation needs of the Commercial Taxes Departments of States.