

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4764

ANSWERED ON:07.08.2009

INTRODUCTION OF GST

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to introduce Goods and Services Tax (GST) from April, 2010 onwards all over the country;
- (b) if so, the details thereof;
- (c) whether certain States have expressed their inability to introduce it from the year 2010;
- (d) if so, the names of these States; and
- (e) the steps being taken by the Government to remove the obstacles coming in the way of its implementation?

Answer

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

(a) & (b): Yes, Sir, The budget speech of 2006-07 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 of smooth introduction of GST with effect from April 01,2010 would be accelerated.

(c) & (d): Government of Tamil Nadu have communicated to the Central Government certain concerns related to the implementation of the proposed GST in the country from the next year. Their main concerns are for having a GST design that is not regressive, is aligned to federal principles of our Constitution, protects revenue interests of the States and the Centre, and does not impose additional compliance burden on small and medium enterprises. They have also advised adoption of an implementation schedule for GST that permits requisite capacity building.

(e): Empowered Committee of State Finance Minister meets regularly to evolve consensus among States on the various issues involved.