

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2462

ANSWERED ON:07.12.2012

HOLISTIC TAX REFORMS

Swamygowda Shri N Cheluvarya Swamy ;Venugopal Shri P.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to introduce holistic tax reforms aiming at removing distortions in the indirect tax regime currently mired in a web of levies such as excise, value added tax, service tax etc. coupled with various surcharges and large number of `cesses` imposed;

(b) if so, the details thereof and the likely date for implementation of the same;

(c) whether any initiative has been taken to arrive at a broad agreement in principle to proceed further as these sensitive reforms may result in reduction of tax revenues of States; and

(d) if so, the details thereof and consultation made in this regard along with points emerged/incorporated therefrom?

Answer

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

(a): Yes, Sir.

(b): The Constitution (115th Amendment) Bill, 2011 has already been introduced in the Parliament in March 2011 which proposes to amend certain provisions of the Constitution for the introduction of a comprehensive Goods and Services Tax (GST) in the country. The Bill proposes to subsume a number of specified consumption taxes on goods and services levied by both the Central Government and the State Governments. The Bill is at present under examination by the Standing Committee on Finance.

(c): Yes, Sir.

(d): In a meeting held on November 8, 2012 chaired by the Union Finance Minister and attended by the Empowered Committee of State Finance Ministers, a decision has been taken inter alia to set up a Group of select senior officials both from the Centre and States to consider design of the proposed GST. The first meeting of the Group is scheduled for December 6, 2012.