

Title: Consideration and passing of the Central Sales Tax (Amendment) Bill, 2001.

18.51 hrs.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): Sir, I beg to move:

"That the Bill further to amend the Central Sales Tax Act, 1956, be taken into consideration."

MR. CHAIRMAN : Motion moved:

"That the Bill further to amend the Central Sales Tax Act, 1956, be taken into consideration. "

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): Sir, due to the constraint of time, I will not take much time of the House. Sir, this is a Bill which I support. It is a welcome measure. It is a long pending issue.

Sir, inter-State disputes with regard to redressing the grievances of sales tax assessment have not been addressed for a long time. The new proposal in the Bill to compose a body, the Chairman of which should be either a retired Chief Justice of the High Court or the Supreme Court, is, no doubt, a welcome step. Sir, I would like to have a reply from the hon. Minister for the following points.

18.53 hrs (Dr. Laxminarayan Pandeya *in the Chair*)

Firstly, how do you ensure that the sharing of sales tax, excise duty, and other revenue between the Centre and the States is done according to the Sarkaria Commission recommendation as well as Plan allocation? How do you ensure that the States are not deprived of their legitimate share while the disputes arise on the issue of imposing the Central Sales Tax?

Sir, now I would like to address to the hon. Minister my second question. Would the hon. Minister please take the House into confidence and tell what is the amount of arrear which has not yet been realised by the Government in terms of Central Sales Tax? Is it still pending before the authority which has not been constituted till today when this Bill has come for passing? What steps are the Government going to take to realise this amount? What is the total quantum for the whole country?

Sir, the third issue that I would like to address to the hon. Minister is that there are companies which are playing tricks. I am not naming any individual company or business houses. They operate in a particular State and get their company registered there. Then, they have another unit in another State. When they send delivery of their goods to another State, they say that it is not a sale and that they are shifting their goods from one State to another. Through this method and other tricks, a lot of companies and groups of companies cheat and defraud the nation by not paying the actual Central Sales Tax which is supposed to accrue by a particular State. How the Government is going to take care of this thing?

Sir, finally, I would request the hon. Minister to kindly take the House into confidence in one particular matter. Sir, I am not sure about it. The Minister may cross check it. Sir, Pepsi and Coca Cola companies have several bottling plants throughout the country and are supplying their products to various States through their network. Have you received any complaint that they are arranging their affairs in such a way that they are able to defraud the Government by not paying the Central Sales Tax. I have read it in the newspapers that they are defrauding the Government.

Has any complaint of this nature been brought to the notice of the Government by any State and if so, what did your Department do about it? These are the few observations which I would like to make.

Finally, I would appeal to the Government on one point. We have a standard practice that in any Authority, you bring a retired judge or a retired Chief Justice to occupy office. Why not a specific service be created where regular functioning professionals will occupy these offices, than bringing in some retired people to occupy these offices? Would the Government consider this matter for future course of action?

डॉ. रघुवंश प्रसाद सिंह (वैशाली) : सभापति महोदय, केन्द्रीय विक्रय कर विधेयक लाते हुए मंत्री जी ने दावा किया है कि अशोक लेलैण्ड वर्सेज़ भारत सरकार के बीच में सुप्रीम कोर्ट का जो फैसला था, उसमें सुप्रीम कोर्ट ने सुझाव दिया था कि अंतर्राज्यीय सेल्स टैक्स विवाद को सुलझाने के लिए एक प्राधिकरण बनना चाहिए और उसे कार्य सौंपा जाना चाहिए। उसे अधिकार मिले और कानून बने, इसीलिए मंत्री जी यह विधेयक लाए हैं।

महोदय, विक्रय कर से राज्यों को आमदनी होती है और सभी राज्य सरकारें पहले अलग-अलग विक्रय कर की दरें रखती थीं। जब वित्त मंत्रियों की बैठक हुई तो उसमें

तय हुआ कि विक्रय कर की दरें देश भर में समान होनी चाहिए। उससे बहुत से राज्यों को घाटा भी हो रहा है। मैं सरकार से जानना चाहता हूँ कि समान विक्रय कर लागू करने से जो राज्यों को घाटा हो रहा है, उसकी भरपाई सरकार कैसे करेगी? दासमुंशी जी ने 11वें वित्त आयोग की और सरकारिया कमीशन की चर्चा की और कहा कि सरकारिया कमीशन ने जो निदेश दिये, जो अनुशंसाएं की, उनके कार्यान्वयन में सरकार कौन सी कार्रवाई करने वाली है? फिर जो विक्रय कर की चोरी है, वह अहम मामला है। विक्रय कर की चोरी हर जगह होती है जिससे राज्य के खजाने में जो पैसा टैक्स के जरिये जमा होना चाहिए, वह नहीं होता है। इसके संबंध में कानून ला रहे हैं कि इस विवाद को सुलझाने के लिए एक प्राधिकरण काम करेगा और उसको ये प्राधिकृत करना चाहते हैं कि अनेक राज्यों के बीच में जो विवाद होगा, उसका निर्णय प्राधिकरण करे, लेकिन जो चोरी हो रही है, उसको रोकने का क्या उपाय किया जा रहा है? बहुत सारी कंपनियां जिस राज्य में उनका उत्पादन होता है, वहां से उठाकर दूसरे राज्य में सामान ले जाती हैं और बताती हैं कि वहां हैड ऑफिस है, जिससे जहां उत्पादन होता है, वह राज्य सेल्स टैक्स से वंचित हो जाते हैं। इसके लिए भी उचित प्रावधान होना चाहिए क्योंकि राज्यों की आमदनी के तीन-चार स्रोतों में से एक सेल्स टैक्स भी है। इसके चलते कभी-कभी हम देखते थे कि जैसे मारुति गाड़ी है, उसका उत्पादन जहां होता है, वहां सेल्स टैक्स ज्यादा था, कुछ राज्यों में कम था। जहां कम था, लोग वहां जाते थे कि हमें सेल्स टैक्स कम देना पड़े। इस तरह की जो असमानता थी, उसे दूर करने का प्रयत्न हुआ है लेकिन ज्यादातर लोग नाराज़ हैं।

एक बड़ा भारी सम्मेलन व्यापारी लोगों का दिल्ली में हुआ था जो उत्पादन करते हैं और सामान की बिक्री करते हैं। उनका कहना था कि अंतर्देशीय व्यापार की देखरेख के लिए अलग मंत्रालय बनना चाहिए। क्या उस पर सरकार क्या विचार कर रही है यह मैं जानना चाहता हूँ। नयी बिक्री कर व्यवस्था में केन्द्रीय बिक्री कर कैसा होगा यह सवाल लोगों के बीच में उठ रहा है।

19.00 hrs.

सभापति महोदय, बिक्री कर की नई दर लागू होने से व्यापारी लोग नाराज़ हैं और यह सरकार तो व्यापारियों के समर्थन वाली सरकार है। इस सरकार के सपोर्टर नाराज़ हो रहे हैं। मंत्री जी का इस संबंध में क्या कहना है ?

सभापति महोदय, बिक्री कर व्यवस्था के लिए सरलीकरण का प्रयास होना चाहिए। सरलीकरण नहीं होने से ज्यादा चोरी और गड़बड़ी की गुंजाइश रहती है। बिक्री कर की एकरूपता लाने के लिए बंगाल के तत्कालीन मुख्य मंत्री और कम्युनिस्ट नेता ज्योति बसु साहब ने कहा था कि बिक्री कर के एकीकरण का प्रयास होना चाहिए। इसके संबंध में सरकार ने कौन सी कार्रवाई की है ?

सभापति महोदय, हम समान बिक्री कर के पक्ष में हैं, लेकिन समान बिक्री कर लागू होने से राज्यों की जो क्षति हुई है उसकी पूर्ति के लिए क्या सरकार ने कोई प्रयत्न किया है ? मैं चाहता हूँ कि मंत्री महोदय हमारे इन सब सवालों का उत्तर दें।

SHRI LAKSHMAN SETH (TAMLUK): Sir, the Bill introduced by the hon. Minister is so simple that I have no reason to oppose it. On the directions of the Supreme Court, the Government has come forward with this Bill to create some authority to decide disputes, which are really in the nature of Inter-State disputes with regard to trade and commerce. We have no objection to setting up of this authority. But this authority should be well represented by the State Governments. There is always a dispute between the Centre and the States with regard to allocation of the resources. So, I think this should be looked into. Various State Governments have been demanding for a long time, introduction of consignment tax. This should also be looked into because day by day all the States are becoming insolvent economically. I think the Central Government is trying to interfere with the various aspects of State Governments. Therefore, this authority which would be set up should be well represented and it should be given autonomy so that States' share is not deprived of. This is my humble submission to all of you. I would request the hon. Minister to look into my requests.

श्री चन्द्रनाथ सिंह (मछलीशहर) : सभापति महोदय, हमको ज्यादा इस बिल पर नहीं बोलना है। सदन में जो केन्द्रीय बिक्री कर विधेयक 2001 लाया गया है, इसकी कोई आवश्यकता प्रतीत नहीं होती है। इसे लाने से सरकार के ऊपर एक बहुत बड़ा बोझ पड़ेगा। इसकी कोई जरूरत नहीं है क्योंकि इससे राज्यों के अधिकारों का हनन होगा और उनके अधिकारों में केन्द्र का हस्तक्षेप माना जाएगा। इसके पारित होने के बाद

आप एक चेयरमैन बनाएंगे, उसका आफिस होगा, आफिस में कर्मचारी होंगे, उनके टी.ए.डी.ए. का खर्चा होगा और इससे व्यापारियों की लूट भी ज्यादा होगी। व्यापारी प्रताड़ित होने लगेंगे। इससे सरकार का खर्च बढ़ेगा। इस समय देश बहुत आर्थिक विपत्तियों से घिरा हुआ है। देश की आर्थिक स्थिति अच्छी नहीं है। इसलिए मैं माननीय मंत्री जी से अनुरोध करना चाहता हूँ कि इस विधेयक को पारित न कराएं। इससे सरकार पर आर्थिक बोझ बढ़ेगा, इससे राज्यों के अधिकारों का हनन होगा और व्यापारियों की लूट होगी। इसलिए इन तीन कारणों से मैं इस बिल का विरोध करता हूँ।

सभापति महोदय : माननीय मंत्री जी।

श्री चन्द्रनाथ सिंह : सभापति महोदय, हम मंत्री जी का परिचय जानना चाहते हैं।

संसदीय कार्य मंत्री तथा सूचना प्रौद्योगिकी मंत्री (श्री प्रमोद महाजन) : मंत्री जी भी आपका परिचय जानना चाहेंगे।

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): Sir, I thank the hon. Members for having given their suggestions. I welcome their suggestions.

We have introduced this Bill to amend the Central Sales Tax Act. The Supreme Court has given some suggestions to settle the issues which are pending. Central Sales Tax is levied on the inter-State transfer of sales. That is why, the Government has proposed this Bill to amend the Central Sales Tax Act. It is coming under Section 6 (a). Central Sales Tax is not levied for transfer purpose. That is why, we have introduced this Bill.

The hon. Members have given so many suggestions. This Bill provides for an independent Authority to settle the issue. The Supreme Court has given a decision saying that a Central mechanism to decide the inter-State dispute in respect of Central Sales Tax Act should be there. According to their direction, the Government has brought forward this Bill to provide for an independent Authority with quasi-judicial powers and procedures for quick

disposal of cases.

Under the Income-Tax Act, we are already having an Authority for Advance Rulings to settle the NRI issues and to avoid litigations to settle various issues. On par with this Authority for Advance Rulings, this Bill provides for this Authority to settle the inter-State disputes. Under this provision, we are providing a Central Sales Tax Appellate Authority. It will decide the issue and take a decision which will go for settlement. Suppose one factory is situated in one State, and the agent or the principal manufacturer wants to transfer his goods to some other State, that transfer does not cover the Sales Tax. As the hon. Members pointed out here, some manufacturers are deceiving the States. They want to avoid tax. They want to get some benefit. For that they transfer their goods to some other State where the Sales Tax is less. They are indulging in such kind of fraudulent activities. Litigations were made to the Supreme Court. The Supreme Court took a decision and said that to avoid this matter, the Government should create a Central mechanism to decide inter-State disputes in respect of Central Sales Tax. So, there is the need to create the Central Sales Tax Appellate Authority. Under this Authority, all the inter-State disputes will be referred to the Authority. It will take a decision under this provision. There is no urgency to settle this matter. Instead of giving it to the Central Sales Tax Appellate Authority, we have now taken a decision to refer all these cases to the Authority for Advance Rulings set up under Section XIX-B of the Income-Tax Act, 1961.

Hence, I request all the hon. Members, who have given many good suggestions, to support this measure....(*Interruptions*)

Regarding the Uniform Tax, we have already introduced it. The Central Government has no role to interfere with it. Under this Act, we have introduced a new system called the Value Added Tax. In 2002, the Value Added Tax will be coming into force in all the States. After that, the Central Sales Tax Act will be taken in some other form.

The Government has proposed this Bill to provide for the Central Sales Tax Appellate Authority. It will take power to give advance rulings.

With these words, I conclude. I request the hon. Members to support this measure.

MR. CHAIRMAN : The question is:

"That the Bill further to amend the Central Sales Tax Act, 1956, be taken into consideration. "

The motion was adopted.

MR. CHAIRMAN : The House will now take up clause-by-clause consideration of the Bill.

The question is:

"That clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

SHRI GINGEE N. RAMACHANDRAN: Sir, I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.
