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Title: Further discussion on Constitution (One Hundred And Twenty-Second Amendment) Bill, 2014. (not concluded).

HON. DEPUTY SPEAKER: Now, Item No.24 – Shri M. Veerappa Moily.

...(Interruptions)

SHRI N.K. PREMACHANDRAN (KOLLAM): Sir, I am on a point of order. I have already given a notice regarding the constitutional validity of this Bill in respect of Article 368. It is very clear to everybody that Article 368 lays down the powers to amend the Constitution and also the procedure to be followed in respect of amendment of the Constitution. This is one of the basic features of the Constitution. That was well-established in the case of the Kesavananda Bharati that the basic features of the Constitution shall never be changed, altered or destroyed. The right to exercise this power is exclusively confined to the Parliament and not to anybody else. Here, if you come to Clause 21 of the Bill, it is about the President's power to remove any difficulties in giving effect to the provisions of this Bill. As per Clause 21 (1), it says:

"If any difficulty arises in giving effect to the provisions of the Constitution as amended by this Act, the President may, by order, make such provisions, including any adaptation or modification of any provision of the Constitution as amended by this Act or law, as appear to the President to be necessary or expedient for the purpose of removing the difficulty:"

So, in order to remove the difficulty in giving effect to the provisions of the constitutional amendment, the President is being entrusted with the power to amend the Constitution in these three ways.

I have gone through the amendments from the first amendment onwards, that is, from June 1951 when the first amendment which took place by this Parliament to the recent amendment, nowhere the right to amend the Constitution has been transferred to the President. If I am wrong, I may be corrected because all those amendments except the 42nd amendment. If we go through the 42nd Amendment, there is a Clause 59. This Clause 21 is the carbon copy of Clause 59 of the Constitution (Forty-second) Amendment.

I will read the 42nd Amendment. In 1976, during the time of Emergency, this provision has been incorporated in the Bill by Clause 59 – Power of the President to Remove Difficulties. Sub-clause (1) says:

"If any difficulty arises in giving effect to the provisions of the Constitution as amended by this Act (including any difficulty in relation to the transition from the provisions of the Constitution as they stood immediately before the date of assent of the President to this Act to the provisions of the Constitution as amended by this Act), the President may, by order, make such provisions, including any adaptation or modification of any provision of the Constitution as appear to the him to be necessary or expedient for the purpose of removing the difficulty:

Provided that no such order shall be made after the expiry of two years from the date of such assent."

This is Clause 59 of the Constitution (Forty-second) Amendment in the year 1976.

None of the constitutional amendments from the date of June 1951 till this date has ever given powers to the President, the rights of the powers to be exercised by the Parliament is given to the President so that the President can amend the Constitution. Immediately after two years, that is, in 1978, by the Constitution (Forty-fourth Amendment) Act, this Clause 59 has been deleted by this Parliament itself. It is very clear that immediately after the Emergency, the 44th Amendment took place. By Clause 45 of the Constitution (Forty-fourth Amendment) Act, amendment of the Constitution (Forty-second Amendment) Act, 1976 was done. In the Constitution (Forty-Second Amendment) Act of 1976, Sections 18, 19, 21, 22, 31, 32, 34, 35, 38 and 59 shall be omitted. So, Clause 59 incorporated in the Constitution (Forty-second Amendment) Act is deleted or amended by means of Constitution (Forty-fourth Amendment) Act. That makes it very clear that the right of the Parliament, the only exclusive, extraordinary right of the Parliament to amend the Constitution can never be transferred to any other pillars of democracy. That is the first point as far as Article 368 is concerned.

Now, I come to Article 392. This is the second point.

Under 'Power of the President to remove difficulties', Clause 1 of Article 392 says:

"The President may, for the purpose of removing any difficulties, particularly in relation to the transition from the provisions of the Government of India Act, 1935, to the provisions of this Constitution, by order direct that this Constitution shall, during such period as may be specified in the order, have effect subject to such adaptations, whether by way of modification, addition or omission, as he may deem to be necessary or expedient: Provided that no such order shall be made after the first meeting of Parliament duly constituted under Chapter II of Part V"

So, Article 392 is very specific that part of the Parliament comes into existence. The President shall not have given this right to amend the Constitution. That is even from Government of India Act of 1935 to the Constitution of India. This is the position as per Article 392 that when the Parliament is in existence and the Parliament is having the right to amend the Constitution, why should the right be transferred to or conferred upon the President? To my limited knowledge, this had happened only at the time of Emergency in 42nd Constitution (Amendment) Act and that too was annulled or cancelled by the 44th Constitution (Amendment) Act since it was giving extraordinary power. This is an extraordinary power as far as Article 368 is concerned. Therefore, I would seek a clarification from the hon. Minister as well as a ruling from the Chair. Thank you.

SHRI BHARTRUHARI MAHTAB (CUTTACK): Mr. Deputy-Speaker, Sir, I stand here with a heavy heart because when this Bill was being moved at that time I repeatedly sought the intervention of the Hon. Speaker stating that this Bill was a new Bill and it should be referred to the Standing Committee for consideration. I am of the opinion on an earlier occasion also because at that time the hon. Finance Minister mentioned that the Standing Committee had deliberated for more than two years on this GST Bill and it did not need to go the Standing Committee.

This is a very different type of Bill. It is a Constitution (Amendment) Bill no doubt, but it is a different type of Bill. It concerns respective States, respective State Government revenues, and it also concerns the Central Government revenue. It deals with tax. And the basic structure of GST is that it will be a single-point tax. That is why a lot of deliberations have taken place after the idea was mooted first in 2000 and subsequently in 2003 after the Committee submitted its report. I am not going into all those details.

There is another occasion when an Amendment Bill was referred to the Standing Committee for consideration and that is the Company Law (Amendment) Bill. The Company Law (Amendment) Bill was referred to the Standing Committee of Finance for consideration; after deliberation the Committee submitted its report to the Parliament; and the Government of the day took cognizance of a large number of suggestions and came out with a number of amendments.

But subsequently the Government also came to know that other than the amendments suggested by the Standing Committee some new provisions were required, because they also discussed with other stakeholders, and some new provisions also were made in the Company Law (Amendment) Bill. When that Bill was again brought before the House, some of us stood up and requested the then Speaker and subsequently the then Speaker also spoke to the Corporate Affairs Minister Mr. Moily, who is also a Member of this House today; and the Government of the day took cognizance of the situation and referred the Bill again to the Standing Committee of Finance for reconsideration of the Bill.

Because it was a Bill with new provisions and a lot of amendments, it was referred again. So, it is not that once a Bill is referred to the Standing Committee it should not be referred to the Committee again. To prove that point I gave you the instance of the Company Law (Amendment) Bill which was referred to the Committee a second time and the Committee gave its report. Therefore, I would urge that the GST Bill is a path-breaking Bill; it is a game-changer; it is a Constitution Amendment Bill. Therefore, I would again request and impress upon the Government to reconsider its stand. This is a new Bill. There are a number of provisions in this Bill which were not deliberated by the Standing Committee earlier. The empowered Committee of course with State Finance Minister has taken many issues into consideration. Parliament of course will consider while we will be discussing on this aspect when this Bill is taken up for consideration and passing. But the Standing Committee is losing its relevance.

In today's newspaper, a news item has come out as to what happened during last one year. A number of Bills, and the number is given around 51 Bills and Ordinances, were moved by the Government. Many of them have not been referred to the Standing Committee. ...*(Interruptions)* Hardly 8 Bills have been referred to the Standing Committee. I would not ask the question whether this Government is thinking to make the Standing Committee redundant. But the manner in which we are moving gives a wrong signal, as if the Standing Committee is not required. It will lose its relevance. My impression may be wrong, but many a time or we have seen at least on two occasions, whether it maybe coal or it may be mines and minerals, that Select Committees have been formed in the other House and within a small time frame a mandate was given, you submit a report and we will consider. That is how the Select Committees are being formed.

Before the Standing Committee came into existence, perhaps Select Committee was the practice. That was before 1993-94. But here is an issue where the Members of Parliament through Standing Committee can deliberate. If you have not referred it during the month of December or January, still I would say there is the time. Give a specific time period to the Standing Committee. We have monsoon session coming up in the month of July. So in the first week of July, that time frame can be given by the direction of the Speaker. Here is a Bill before us which we will be deliberating. But it will be better if you refer it to the Standing Committee. The Standing Committee's views are not mandatory on the Government, they are suggestive in nature. With those suggestions, it will always be an improved Bill for the consideration of the nation. Therefore, I would again urge upon the Government that this Bill may be referred to the Standing Committee.

SHRI MALLIKARJUN KHARGE (GULBARGA): Already several times we have raised this issue in this House but it seems there is no impact on the Government. They have forgotten their own arguments in the House. I want to remind our hon. Finance Minister that in the 15th Lok Sabha, when UPA Government was there, how most of the leaders pleaded for Standing Committee and how they told the importance of Standing Committee. I will give only a few instances. One is Shri Ram Naik, currently Governor of UP but then a BJP MP from Mumbai, Shri Jagatvir Singh Drona, then BJP's Deputy Whip in Lok Sabha and currently the mayor of Kanpur, Shri Ram Kapse and Shri Janardan Prasad Mishra, all from BJP had vehemently spoken in favour of Standing Committee system, arguing of its importance to ensuring Legislative oversight over the Executive. This is their opinion but what are they doing now?

Apart from that the veteran leader of the erstwhile Janata Party and one of the most important Members of NDA, Shri George Fernandes was so enthusiastic about the Committee system that he argued on the floor of the House and I quote:

"The working of these Committees should be opened for the Press and the Media ..."

It means, not only here but in the Standing Committees also the in camera proceedings should be open to the Media and the Press. This means, there should be an open court discussion. They pleaded further:

"... which want to participate in it and want to hear and write about the working of these Committees."

So, this was their stand earlier. What made them to change *suo motu*? They are now going in a dictatorial way in the Ordinance Raj. Earlier, they

were criticising the previous Government; when even one Ordinance was issued, they used to take exception to it.

I want to bring to your kind notice that there are nearly 51 Bills. Out of those 51 Bills, they have hardly referred seven to the Standing Committee. For example, let me tell you that the Andhra Pradesh (Re-organisation) Bill was not referred. So, which were the Bills referred? These were Bills which were very important in the interest of the public. They were referred just to cause delay. For example, the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) (Amendment) Bill, 2014 was referred to the Standing Committee because they did not want to implement it. That was not urgent. Everyday, rape could take place; everyday, atrocities could take place; everyday, those people could be harassed; but they did not want to implement this Act. ...(*Interruptions*) I am bringing out how important this is.

Secondly, the Railways Amendment Bill was also there. They are saying that the Railways is undergoing losses; nearly Rs. 23,000 crore is the loss and therefore they want to improve it. But when suggestions were made, what did they do? ...(*Interruptions*)

आप सुनिये। ...(*व्यवधान*) आप क्यों बोल रहे हैं? ...(*व्यवधान*) आपने उसको किया। ...(*व्यवधान*) फिर उसके बाद फैक्ट्रीज एक्ट है,

It pertains to labour and that was referred. All such important and urgent laws which were in favour of poor people were referred. One more important Bill was on the Lokpal and Lokayuktas for which everybody fought but you referred it to the Standing Committee instead of implementing it. ...(*Interruptions*) You have also referred the Electricity (Amendment) Bill and all those Bills which are very important to the Standing Committee. We agree; but what about these nearly 41 Bills which are more important? You are not referring them to the Standing Committee. ...(*Interruptions*)

Once, even for one Title of the Bill, they had referred it to the Standing Committee. We wanted to change one word in the Title from 'Workman' to 'Workers' to make it gender neutral but they said they wanted to study the Bill. ...(*Interruptions*)

HON. DEPUTY SPEAKER: You please speak only on the point of order.

...(*Interruptions*)

SHRI MALLIKARJUN KHARGE : I am fully supporting what my friends have raised. This is also our view and this is the view of the entire House including hon. Members on that side. But they do not want to say that. ...(*Interruptions*)

This is a democratic process. You are killing the democratic process. You are bypassing the law; you are bypassing the Constitution; you are bypassing your own business transaction rules. ...(*Interruptions*) Therefore, we want that all Bills henceforth should be referred to the standing Committee.

DR. P. VENUGOPAL (TIRUVALLUR): Thank you, hon. Deputy-Speaker, Sir.

From the beginning itself, on behalf of the AIADMK, we have opposed this Bill because there are many contradictions in the Bill. Also, it is harmful to our State because our State is a manufacturing State. Therefore, I request you to kindly refer this Bill to the Standing Committee for further scrutiny. Thank you.

SHRI P. KARUNAKARAN (KASARGOD): We are not against the GST Bill because, as stated by the hon. Finance Minister, most of the States are in favour of it. At the same time I would like to say that the Parliament discusses the Bill in general and that is why the Standing Committees are formed. Only the Standing Committee can scrutinize any Bill. Nowadays, the Government is taking a decision that it will not be sending a Bill to the Standing Committee but passing it all of a sudden in the Parliament. As stated earlier, though in the Lok Sabha Members place some amendments and they are defeated because the Government has a thumping majority but when it goes to the Rajya Sabha the same amendments are accepted and the Bill again comes back to the Lok Sabha which we again discuss. I also share the views expressed by the other Members that the Bill can be sent to the Standing Committee for scrutinizing and making it more perfect. This is our submission.

वित्त मंत्री, कॉर्पोरेट कार्य मंत्री तथा सूचना और प्रसारण मंत्री (श्री अरुण जेटली) : उपाध्यक्ष जी, दो पूंन उठाए गए हैं। प्रेमचंद्रन जी ने पहला पूंन उठाया है कि जो क्लॉज 21 है उससे संविधान के बुनियादी ढांचे पर असर पड़ता है। उनका तर्क यह है कि संविधान बनाने और संविधान में संशोधन करने का जो अधिकार है, वह केवल संसद को है और धारा 21 में स्पष्टीकरण देने का अधिकार जो राष्ट्रपति जी को दिया गया है उससे उस बुनियादी ढांचे का उल्लंघन होता है।

मैं स्पष्ट कर दूँ कि केवल संविधान ही नहीं बल्कि कोई कानून बनाने का अधिकार संसद को है और उस कानून बनाने के अधिकार के तहत केवल एक सीमित धारा लगभग हर कानून में होती है कि अगर उस कानून को लागू करते वक्त पहले दो वर्ष में कोई तकलीफ आएगी, उस उलझन के संबंध में कोई स्पष्टीकरण देना होगा, if any difficulty arises then there will be a Presidential Order clarifying the difficulty. That has been a convention since 1952. Such a clause is there in almost every other law as far as India is concerned. Now, even when the original Constitution was drafted, Article 392 was put in the Constitution. I may just clarify that the 42nd amendment was repealed by the 44th amendment not because of that clause with regard to clarification because the 42nd amendment in its entirety was against the basic structure. The 42nd amendment wanted to do away with the basic structure and say that the Parliament has a power to amend every provision of the Constitution. The 42nd amendment wanted to say कि अगर कोई गैरकानूनी काम होता है तो उसको हाई कोर्ट में चुनौती देने के लिए जो संविधान का आर्टिकल 226 है उसके अधिकार क्षेत्र को सीमित कर दिया जायेगा। 42^{वें} संशोधन के माध्यम से, क्योंकि मौलिक अधिकार और संविधानिक अधिकार का ध्वजन हो रहा था, इसलिए वर्ष 1978 में 44^{वें} संशोधन के माध्यम से 42^{वें} संशोधन को रद्द किया गया था और उसके अतिरिक्त एक अन्य संशोधन संविधान को मजबूत करने के लिए लाया गया था ताकि दोबारा एमरजेन्सी न लग सके। एमरजेन्सी लगाने के अधिकार पर भी सीमायें डाल दी गयी थीं और एमरजेन्सी के दौरान जो धारा 352 में लगती है, धारा 359 के तहत जो राष्ट्रपति जी को अधिकार था, सरकार को जो

अधिकार था कि सांख्यिकी अधिकार सस्पेंड कर दिए जायें, जिसकी वजह से माननीय सुप्रीम कोर्ट ने कहा था कि किसी को अदालत का दरवाजा खटखटाने का अधिकार नहीं है और धारा 21 भी उसमें सस्पेंड हो सकती थी, उसको भी 1978 के अंदर स्पष्ट किया गया था कि लोग एमरजेन्सी के दौरान भी लोग अदालत में जा सकते हैं। सन् 1978 में 44वां संशोधन उसकी वजह से आया था, इसकी वजह से नहीं आया था। Not only that such a provision exists in every legislation the original Constitution also had such a transition provision, which is Article 392. It talks of the period between framing of the Constitution from November 1949 and when the Constitution came into force on 26th January, 1950 and then till the Parliament being constituted in 1952, a two year gap was there. So during these two years if any transition difficulty arises, does the Constituent Assembly have to meet again? दुबारा संविधान सभा को बहाना पड़ेगा। उन्होंने कहा नहीं। इस दो साल की अवधि काल में 1950 से लेकर 1952 तक अगर इस प्रकार की उलझन आएगी तो उसे राष्ट्रपति के आदेश के माध्यम से हल किया जा सकता है। Such a provision exists in every law and therefore, there is no question of any objection. It existed in the original Constitution. So, what existed in the original Constitution if it exists in a Constitution (Amendment) Bill, there should not be any problem. It is because we are transacting from a mode of taxation itself. It would not violate the basic structure of the Constitution.

SHRI N.K. PREMACHANDRAN: But the proviso is very clear. Article 392 talks of the Power of the President to remove difficulties provided that no such order shall be made after the first meeting of Parliament. That means if the Parliament is in existence, definitely the President has no right to amend the Constitution. Absolutely, I agree with the hon. Minister that in so many laws there is a provision to remove the difficulties. But my case is that in none of the amendments right from first amendment in June 1951 to this Constitutional amendment have a provision so as to give the power to the President to amend the Constitution since it is an extraordinary and an exclusive power which is vested in the Parliament. I have read article 392. It is very specific. This power is there only till the Parliament comes into existence. Till then, these difficulties can be removed.

SHRI ARUN JAITLEY: It is not a power to amend the Constitution. There are separate provisions where the President has been given the power to amend the Constitution. I will show you those provisions also. This is a power given to the President to remove difficulties. Otherwise, how would you say that law making is only a parliamentary function and it is not a presidential function. But in every law which is made, the power to remove difficulty is with the President which means Council of Ministers aiding and advising the President.

Similarly, the power to remove difficulties is not indefinite. It is only for the transition phase. That is why, Clause 21 uses the words that in a transition phase if any difficulty arises the power to remove difficulties will be there. I will also show you the power to amend the Constitution given to the President. You can turn to article 370, which is a well known article. Everybody has heard of article 370 and the circumstances how it was brought. You turn to sub-article (3). It says:

"Notwithstanding anything in the foregoing provisions of this article, the President may, by public notification, declare that this article shall cease to be operative or shall be operative only with such exceptions and modifications and from such date as he may specify:"

SHRI N.K. PREMACHANDRAN : Please do not mislead the House. The title of the article itself is very clear...(Interruptions)

SHRI ARUN JAITLEY: The question is whether there is a power given under the Constitution to the President to make any adaptation changes, if there is a difficulty, the answer is, yes. Is such a power there in every other law? The answer is, yes. Therefore, such a power in a Constitution amendment -- during transition phase and for a limited period of time and not indefinite -- is there to the President to make some transitional changes and corrections.

Now even under many original laws such a power is there. In the Andhra Pradesh Re-Organisation Act, the presidential power itself has removed a lot of problems. It is because when you divide a State and you divide its assets, etc., it is the presidential power which is then exercised to remove difficulties, etc.

15.00 hrs.

This power is there. For instance, I will give you another illustration. In the Re-organisation Act, law and order is a State subject. Now you have the State of Telangana and you have the State of the Andhra Pradesh. But Hyderabad for ten years is the common Capital. It is under that power that the law and order power has to be exercised by the Governor who shall be common for some transient period. When the law is being given a transient effect by the bifurcation of the State, it is an unusual situation. So, the UPA Government itself had justified it. I had raised this question. They justified it, probably rightly so, on the question that in transition provision unusual difficulties will arise, the Constitution has to be made workable and therefore this power will always be with the Constitution.

Sir, regarding the question of Standing Committee, I would be one with all the hon. Members in the importance of the Standing Committees. Standing Committees are important. स्टैंडिंग कमेटी में सभी पार्टी के लोग होते हैं, स्टैंडिंग कमेटी के माध्यम से एक सहमति बनती है और उसका लाभ होता है। इसलिए प्रमुख लेजिस्लेशन स्टैंडिंग कमेटी में जाती है, लेकिन आर्डिनेंस अवसर स्टैंडिंग कमेटी नहीं जाता। अगर किसी बिल के किसी एक या दो सेवशन में कोई परिवर्तन हो तो बिल स्टैंडिंग कमेटी में नहीं जाता। सड़ने जी ने लोकपाल बिल के बारे में जिक्र किया, लोकपाल बिल स्टैंडिंग कमेटी और सतेवट दोनों कमेटियों गया था। सीबीआई डायरेक्टर की नियुक्ति में प्रधानमंत्री, चीफ जस्टिस ऑफ इंडिया और लोक सभा के विपक्ष के नेता होंगे। दूकित औपचारिक लीडर ऑफ अपोजिशन नहीं है तो वया विपक्ष से विमर्श किया जाए या नहीं, यह समस्या उत्पन्न हुई। डायरेक्टर की नियुक्ति 1 तारीख तक हो जानी थी। सड़ने जी को उस प्रक्रिया में कैसे लाया जाए यह प्रयास किया गया। अगर हम कहते की इसे स्टैंडिंग कमेटी में भेज दो और इसे हम अगले सेशन में पास करेंगे और सड़ने जी की सहमति के बगैर ही नियुक्ति कर दी जाती तो इसे आप लोग गैर-लोकतांत्रिक कहते। बिना स्टैंडिंग कमेटी का जो लोकपाल बिल पास हुआ उसका संशोधन केवल इसलिए था कि सड़ने जी नियुक्ति की प्रक्रिया से बाहर न रह जाएं। यह अजैसी आपको मालूम थी इसलिए आप लोगों ने भी उसका कोई विशेष विरोध नहीं किया था। This Bill has gone through the Standing Committee for two and a half years. But this Bill is a particular Bill where not only the power of the Parliament is involved, or the Central Government is involved, the power of the States is also involved. So, there is a delicate balance to be brought wherein consensus has to be brought between the Centre and the States as to how the power under GST has to be exercised. Therefore, the UPA Government followed a practice, a correct practice. They constituted an Empowered Committee of State Finance Ministers. I said it on the last occasion, I am repeating it. The convention was that have somebody, not

from the Ruling party, to Chair that committee and therefore it should be his onus along with the Central Government to bring a consensus. Barring some issues, there is a broad consensus. When I say some issues, your State has an issue, I have been in discussion with them. They have raised it. We have tried to give them a comfort level. Now, we have brought a consensus among the States. It is the maturity of the Parliament that is involved and all political parties. There are political parties which are represented through their Finance Ministers in that Empowered Committee. All the States are there, including the States of Odisha and West Bengal. States like Odisha and West Bengal, from day one, are going to be the beneficiaries of this process. The difference is, having spent two-and-a-half years in the Standing Committee, having had dozens of meetings of the Empowered Committee of the Finance Ministers, if you want to further delay it, the effect is going to be that the 1st April, 2016 deadline will be lost. And if the 1st April, 2016 deadline is lost, then the whole financial year is going to go.

Now, this is a Bill where we are targeting that after this Bill, three legislations with regard to the Central law, the State law and the IGST will be brought, which will be cleared first by the Empowered Committee. There is no provision that States clear a Central law. केन्द्र सरकार राज्य सरकार के लॉ को अप्रुव नहीं करते, लेकिन इसमें एक-दूसरे के अधिकार शामिल हैं। इसमें हम स्टैंडिंग कमेटी की आम राय ले लें, जो एक-दो बड़े परिवर्तन हुए हैं, जो प्रमुख वेंज हुआ है That prominent change is how to compensate a State if it is running into a loss. We cannot have a situation where Parliament decides something and the State Finance Ministers decide something else. Both of them have to work in harmony. We have to see this kind of Statesmanship and harmonious relationship between the States and the Centre.

Every State Government of the Congress Party has supported it. The Left Parties had spearheaded the campaign. In fact, Shri Asim Dasgupta used to meet me, when I was in Opposition, to persuade us that you must immediately comfort the manufacturing States, namely, Gujarat and Maharashtra so that they immediately withdraw the objection and agree to this.

West Bengal is in the forefront. Odisha is in the forefront. Kerala is in the forefront. The Finance Minister of Kerala is now heading it. If Parliament, in its wisdom, wants to decide that it wants to delay GST, the whole process is going to get delayed.

My respectful submission is, this argument is no longer valid that it has not gone to a Standing Committee. It has spent two-and-a-half years before the Standing Committee and thereafter, it has spent time in dozens and dozens of meetings of Empowered Committee of Finance Ministers under three different Finance Ministers and four different Chairpersons. It is only then that a consensus between the Centre and the States and almost a mere unanimity has been achieved at. After that, if you want to delay it, I would suggest that no purpose will be served.

Therefore, the Government is extremely keen and I would literally request you, beseech you, that after all, there are some issues in the life of our nation on which we have to rise above partisan considerations and once all our Chief Ministers are agreeable, why should we delay it? If we delay it, it means we are delaying it by one more financial year, and one more financial year means, your States or the consuming States are going to lose for one more year.

Therefore, the Central Government is extremely keen that it goes ahead.

SHRI BHARTRUHARI MAHTAB: Sir, we would like to hear your ruling on this matter. We will abide by your ruling..

...(Interruptions)

SHRI MALLIKARJUN KHARGE (GULBARGA): It is very difficult for him to decide....(Interruptions)

HON. DEPUTY-SPEAKER: Already, the hon. Speaker has taken the decision. So, I am now calling Shri Veerappa Moily to speak.

15.11 hrs

CONSTITUTION (ONE HUNDRED AND TWENTY SECOND AMENDMENT) BILL, 2014 - Contd....

SHRI M. VEERAPPA MOILY (CHIKKABALLAPUR): Hon. Deputy-Speaker, Sir, I stand here to support the GST. It is quite a revolutionary measure.

THE MINISTER OF FINANCE, MINISTER OF CORPORATE AFFAIRS AND MINISTER OF INFORMATION AND BROADCASTING (SHRI ARUN JAITLEY): Sir, let me thank Shri Veerappa Moily and his Party, and congratulate him for his statesman-like attitude....(Interruptions)

SHRI M. VEERAPPA MOILY : There were two Bills, particularly, two measures which the UPA initiated. One was the Constitution Amendment Bill which was brought out, that is, the One Hundred and Fifteenth Constitution Amendment Bill, 2011 for GST. Another Bill was on the indirect taxes

which will add up, one to two per cent, to the GDP.

Another revolutionary measure was to replace the outdated Income Tax Act by introducing the Direct Taxes Code. These are the fundamental, innovative changes which were proposed. In fact, that would have added up to 2 to 3 per cent to the GDP. That means, you have a revenue deficit of 3 per cent today. Ultimately, by bringing forward these two measures, perhaps, in the years to come, the whole revenue deficit would have been wiped out. The UPA Government wanted to bring about the GST operative from April, 2010. It was postponed for six years because you would like to bring it into operation from April, 2016. Just imagine the loss to the nation! It is just because politically it was not convenient to some people. I do not say to you alone and that is how it was postponed. About the DTC, of course, you have your own argument but a well-tested Act was brought about. The Income-Tax Act itself is a colonial Act. It is not a progressive legislation.

One Thomas Piketty, the latest, modern economist said:

"If taxation at the top of the social hierarchy were to become more regressive in the future, the impact on the dynamics of wealth and inequality would likely be significant leading to a very high concentration of capital."

We need to address all these questions. Of course, we are very slow. Many a time, bureaucracy, both in the administration and in the taxation sector, are always against the change; they do not want the change. That is how this country is suffering today. I have gone into all these things, as Chairman of the Second Administrative Reforms Commission as to how this country has been cursed by bureaucracy. Many a time, some of us would not like to because we also think, why not *status quo*? Why the change? We do not want to be game changers. We would like to be *status quoists*. If at all the country is suffering, it is not because of any other thing, it is only because of the mind of *status quoists*. We need to address that

I am at least happy that you have moved forward on GST. The hon. Speaker, and subsequently, you have corroborated with your ruling as to why this should not be referred to the Standing Committee. But still it is open. Ultimately, after my argument or after the argument of many other speakers, the hon. Speaker, or yourself or the hon. Finance Minister may agree to refer it to the Standing Committee. I am just presenting my views as to why this has to be referred to the Standing Committee. Let us keep the mind open. If you feel convinced, it has to be done, yes, it has to be done.

I have analysed the salient features of the 115th Amendment Bill and 122nd Amending Bill of 2014. As far as objective is concerned, you have not changed. Objective is one and the same. But some of the other things – levy and collection of GST in the course of inter-State trade or commerce; levy of IGST is one and the same. There is no change but as for apportionment of IGST, you have added one more clause that a provision related to functions of the GST Council, to include that the GST Council would also make recommendations related to apportionment of IGST. This is the change you have brought about.

As far as additional tax is concerned, the Bill states that the addition of tax not to exceed one per cent. It has plus side and minus side. Additional one per cent will have cascading effect. As far as commoners or taxpayers are concerned, and as far as the market is concerned, this will definitely have the cascading effect. They have to pay at multiple levels. This is an issue which should have been properly scrutinised. What is the implication of it? Ultimately what happens? It is 27 per cent plus one per cent which will be the GST tomorrow. Of course, it is only one point – 27 per cent will not have cascading effect; but one per cent has the cascading effect. This is the commoner point of view and also on the point of the impact on the market which I will analyse further. I think, this is a matter which has a substantive character, this needs to have been discussed in the Standing Committee. I don't think this is a matter which has been discussed by any other body. Empowered Committee would have arrived at the general consensus. The decisions of the Empowered Committee cannot call it as specific. Empowered Committee cannot substitute the Standing Committee. No way it can be done. So, we will have to consider this very seriously. What will be the implication of this one per cent by each State? We will have cyclic effect.

As far as the other thing is concerned, there is a fundamental difference. With regard to 2011 Bill, one-third of the total Members of the Goods and Services Taxes Council were to constitute the quorum of its meetings. Whereas, there is a confusing definition with regard to the constitution of the quorum – the vote of the Central Government is to have weightage of one-third of the total votes and the votes of the State Governments taken together are to have the weightage of two-thirds of the total value. Has it been valued? Has it been analysed? Tomorrow, ultimately, the Government of India has more weightage than the State Government. They are not treated equal.

Then, as far as this Council is concerned, 2011 Bill contemplates that it has to be on consensus. There is a fundamental change whereas the present Bill says that there should be voting. How will - in a federal Government, in a federal system - the voting takes place? It will affect the States. Even in a party system, the constituents of the respective party or the allies are in a very different position. This can create a lot of confusion and complication.

In our Bill, we have provided for a mechanism. Creation of a mechanism called the Disputes Settlement Authority – that has been removed. I know, you may come back with an argument that the Standing Committee has suggested that voting plus certain mechanism to be introduced. You are not going entirely by the recommendation given by the earlier Standing Committee also. Instead of mechanism, you have straightaway introduced the voting system. What will happen tomorrow? There will be total confusion. Pulling each other; complexities and ultimately decisions will not be objective. At least in a creation of the Disputes Settlement Authority, 2011 Bill it was contemplated that authority shall consist of three Members, including a former Supreme Court Judge or the Chief Justice of a High Court as the Chairman, two other Members were to be experts in the fields of law, economy or public affairs. The ultimate product would have been more objective; would have been non-partisan. But there is no guarantee that the ultimate decision will be non-partisan. The consensus would have solved the purpose if there is anybody aggrieved by the consensus, the matter could have been taken up before the Disputes Settlement Authority.

This is a very substantial matter. This should have been discussed in the Standing Committee. There is a very strong case. Otherwise, some of the States may be cornered tomorrow; some of the States may be marginalised tomorrow. There may be orphaned States who will have no voice

in that. In fact, the idea of such a Council is to give voice to the interests of every State, however weak they may be politically. This case would definitely mar the very sentiment of the particular concept. This is a matter which needs to be done. Restriction relating to imposition of tax on sale or purchase of goods has been deleted by the present Bill because it imposes restriction on States in taxes of goods that were declared by Parliament by law to be of special importance in inter-State trade and commerce. This will lead to a lot of complications tomorrow. You have totally deleted this. Nowhere you have addressed this problem. The other thing is levy of tax upon entry of goods or on intrastate trade (Amendments to List II of the Seventh Schedule). The Bill deletes the provision which permits States to tax entry of goods into a local area. There is no unanimity even today by the Empowerment Committee. Many of the States have not agreed. You have forgotten one thing while introducing this amendment. You have just forgotten the 73rd and 74th Constitutional amendments. How do you provide the resources to the local bodies, the district councils, the municipalities? It is a very important point. While changing it, you have totally deleted it. These are some of the very important points.

Then it varies. It is not a small deviation but it makes a fundamental change in the original Bill and also this Bill. What is the total holistic view of the entire GST? As far as the positive impact is concerned, it is the simpler tax structure, increased tax revenues, competitive pricing, boost to exports, benefit to the corporate, benefit to industry, benefit to the Government, benefit to consumers and producers. That means, it should be a win-win situation to everyone and even the win-win situation to the respective States, small or big whatever they may be, whether they are manufacturing or the consumer States. It cannot be weighed in favour of manufacturing as against the consumers or it cannot be done with regard to the other States also. That is why, even now, everybody says: "Yes, we want consensus among the States." That is how the Empowerment Committees have been constituted. I also know that everybody cannot agree on everything. We know it even when VAT was introduced. I know it very well; I was the Finance Minister and also the Chief Minister in Karnataka. I was also heading it. For introduction of VAT, I worked out the formula as the Chairman of Sales Tax Revenue Commission and we said, let it be there. We all urged the Government of India at that time that even if some States do not agree, it does not matter. Some of the States took political stand. They said, we do not opt to VAT. But, ultimately, within one or two years, everybody opted for it because it was beneficial. That is why, I know it very well that it is not that all the States should agree. There may be differing States. But, ultimately it will work out definitely in the interest of the entire nation and even the States. Maybe that you have provided compensation here, but what is the experience in the VAT? Even though the compensation component was provided, nobody could avail of it because it was not necessary ultimately. The same thing may happen in the GST. Even though you have provided for it, I do not object. It is because, we have not provided compensation knowing full well that it will adjust itself. But here you have provided compensation; it does not matter. At least the CST compensation which you have allotted in the Budget, for all these two-three years, you have not paid it. At least it could have inspired confidence among all the States. That is why, I am telling you that this is intended to be the win-win situation for all the States, even for the consumers and even for the manufacturers. It will help every sector. This impact study could have been done only by the Standing Committee. This is what I am telling you, it can be worked out considering all these components which I have said, which will have a positive impact. But if I start analyzing – I am not going to take time of the House – each and every item, I must tell you, I can give you only 40 per cent marks. That means to say, you could have made it a most beneficial legislation by saying that some of these things are conformed; it is not in conformity with the positive impact which should be created by this amendment. That is why it would have been very well analysed by the Standing Committee.

There are a few negative impacts which could be created if the GST formula is not properly implemented. After the amendments, which are passed by both the Houses, it has to get the approval of 50 per cent of the States. Thereafter, the Central Government and the State Governments should come out with a GST Bill. And then, the IGST Bill has to be brought. These three Bills will have to be brought out. I know it very well. The entire contour of these taxation measures cannot be included in the Constitution Bill. I think, sometimes we are doing a little more than what is required. The Constitution (Amendment) Bill should not have gone into more details. That is a danger. That means, you have taken away this option. You have taken away the powers of the State Governments in bringing out certain innovative things into the Bill. You are also binding every State from not going beyond a point. They are empowered to go beyond that point. This could have been taken care into the Standing Committee. In an Empowered Committee, this kind of a very specific micro level analysis is not being done. So, there are some negative impacts which can be created, namely, by not using the correct accounting methods may results in discrepancies in tax competition and compliance. Have you ensured it? Have you prepared any roadmap on that? There are other negative impacts like incorrectly claiming GST credits on bank fees; incorrectly claiming GST credits on government fees such as land tax, council rates, water rates; incorrectly claiming a GST credit on the full cost of a business insurance policy; not remitting GST on some government grants and incentives which are received inclusive of GST; GST is not paid on the sale of cars and equipment, including the trade of motor vehicles; incorrectly claiming GST credits on wages and superannuation payments; incorrectly claiming GST credits on GST-free purchases such as basic food items, exports and some health services; claiming the entire GST credits on a car purchased for more than the luxury car limit; incorrectly claiming an upfront GST credit on assets financed by way of commercial hire purchase; incorrectly claiming GST credits on payments for yellow pages advertising etc.; and claiming a GST credit when the business does not have a valid tax invoice at the time of lodging the BAS. These are some of the negative impacts. How will you take care of all these? There are both positive and negative impacts. These negative impacts can definitely mar the very positive impacts of taxation measures that we have adopted. I do not think there is any discussion like that. I do not think the Empowered Committee had gone into these things in detail, both positive and negative impacts because they are not supposed to do that. We have to do it here. That is why the Parliament is meant for. That is why the Constitution Amendment is meant for. Sitting on a higher pedestal and then being the interested party, I think, we can always do this. That is why I am presenting this argument.

Even across the Table, here in this Parliament, many times a proper discussion, an impartial discussion or an objective decision cannot take place. That will take place only in the Standing Committee. Have you analysed it? We should not regret tomorrow. I think, this GST is being practised in about 140 countries. It is not that we are doing it on our own. We could have borrowed the experience of those 140 countries. Is there any semblance of evidence to show that the Empowered Committee had discussed this issue? Some of the lessons could be learnt. It is not that we are implementing GST for the first time in the world. It has always helped the countries. As far as we are concerned, whenever there is any change, there should also be flexibility for this effective change because it is an innovative tax. That is why there is a need to study all that. Are you doing it after implementing it? I think, there will be a lot of confusions. In any terms of innovative taxation, there should be clarity and there should be certainty. If these two elements are lost, then that taxation measure will be totally distorted. That is how our country is suffering in many of these things.

I am not just giving you a certificate even to our own Government. On taxation we also failed on retrospective taxation. At that time itself I

said that it was wrong. We make this experiment. Ultimately, that experiment will cost us, will cost this country very heavily.

That is why, you may claim it by speeches and better articulation but even today investment has not picked up in this country even after one year. Even after you created this kind of a perception, a good investment climate, things have not improved. That is because fundamentally you have not made changes. Governance and reforms are quite necessary even in taxation. That is why, I said that DTC and GST are two important pillars for a game changer in this country. If you forego that, perhaps you will have to regret tomorrow. It cannot be done at all.

You will have to ensure whether GST is an improvement over VAT. You will have to show it as an improvement. Otherwise, it will put the people into difficulty. GST would be applicable on supply of goods and services. The distinction should be very clear.

There are certain things which need to be done. You will have to improve the situation from that of the VAT which is in operation. I have listed out 50 such anomalies to be set right. From VAT to GST, it is a graduation in a taxation proposal. Have you done this? I would like to know whether any such analysis has been done. Of course, you have rightly said that the Empowered Committee is not entitled to do it. This can be done only by some expert economists and analysts who are good at this field. That is why, I said that there is not one count but there are 101 counts which I can demonstrate to the hon. Finance Minister, and it is a fit case to be sent to the Standing Committee. Do that. Do not stand on formality. You say: "why should it go twice?" We had sent one Bill. I agreed for sending the company law. It is the best company law. I got it in comparison to many other countries and brought out, according to me, the best of the company law. Again, the Chairman of the Standing Committee and others said that it had to be again sent to the Standing Committee. Then, I sent it to the Standing Committee. We should not stand on formality. This is going to create a country, a progressive country. If you want that India should be in the frontline in the superb countries, some of these taxation measures will be the basic things. If these basic things are foregone and we do not do these, then you will have a number of problems which you will have to confront tomorrow.

I do not want to analyse the international scenario. I have already said that 140 countries introduced GST. There are experienced and best examples available with regard to New Zealand, Canada, Singapore, European Union and others. How they have acted upon it and how they have implemented it is a matter which we need to study further.

In fact, it should create a national market. This is how the distortions have destroyed investment, and, you know, productivity of the country has come down because we do not work on a national market. You have to eliminate cascading taxes and align taxation of imports and exports. In many of these things, there exists variety of reasons to defy the need of GST in India. We need to work on that.

I know very well that in 2000 itself, the then Vajpayee Government started the discussion on GST. Kelkar Task Force had gone into this. It is not today's history, it is a history in the making.

Lastly, with raising global forces and signing of free trade agreements, the need for nationwide simple and transparent system of taxation is further enhanced. We will have to respond to the international market. So, Taxation at Manufacturing Level, Exclusion of Services from State Taxation, and Tax Cascading, are the components, which need to be examined and brought about appropriately.

That is why it is an important Taxation. I welcome GST but not your Bill. The Bill will have to undergo more changes. So, it has to go to the Standing Committee; and this is, practically, the opinion of everyone. I do not know why you stand on formality. If you have taken a decision that no Bill will be referred to any Standing Committee because that is your practice since last one year, and if that is the practice, which is going to continue for another four years, please state because then, we need not unnecessarily waste the time of the Parliament on this count. On every Bill, we have to beg for! I think, the Parliament as a matter of right, demand Standing Committee. It is not a matter of charity.

With these few words, I conclude. Thank you very much.

15.41 hrs (Shri K.H. Muniyappa *in the Chair*)

श्री नन्दकुमार सिंह चौहान (खंडवा) : सभापति महोदय, 122 संविधान संशोधन विधेयक, 2014 के समर्थन में मैं यहां खड़ा हुआ हूँ। इस देश को एक अच्छी कसबायन पद्धति की जरूरत वर्षों से महसूस की जा रही है। जी.एस.टी. पर विगत दस वर्षों से बल्कि उससे भी अधिक समय से सरकारें विचार-विमर्श और चर्चा करती रहीं, अर्थशास्त्री भी इस पर अपनी राय देते रहे और आज हमारे वित्त मंत्री जी ने सभी विंतन, मंथन और मनन के बाद जी.एस.टी. बिल का एक परिष्कृत रूप सदन में पेश किया है और इसमें अधिकांश राज्यों की भी सहमति है। यह करने के जाल और जंजाल से देश को बचाने वाला बिल है। देश की कसबायन पद्धति देश के आर्थिक विकास को बढ़ाती है या रोकती है। हमारे देश में केन्द्र सरकार और राज्य सरकार द्वारा जो अलग-अलग कसबायन में टैक्स लगाये गये थे और आज तक लगे हुए हैं, उनकी संख्या लगभग 16 से अधिक है और इन सारे करों को जमा करने में व्यापारियों को और उद्योगपतियों को जिस प्रकार की परेशानियों का सामना करना पड़ता है, उसके कारण भ्रष्टाचार भी पनपता है। इन सब चीजों से बचाने के लिए यह एकल कर प्रणाली का जी.एस.टी. बिल आज देश के सामने प्रस्तुत है। आज मैं सदन से यह कहना चाहूंगा कि इस पर भारत सरकार और राज्य सरकार दोनों की सहमति बनने के बाद यह बिल सदन के सामने आया है। इस प्रकार की कसबायन प्रणाली से देश का आर्थिक विकास होगा।

चाणक्य ने कहा था कि कसबायन प्रणाली ऐसी हो, जैसे भौंसा फूल से मधु संगृहित करता है, मधु का संग्रह भी हो जाता है और फूल की तारीर पर भी कहीं दुष्पभाव नहीं होता। उसी प्रकार से यह कसबायन पद्धति जो जी.एस.टी. के माध्यम से हमारे वित्त मंत्री जी ने आज प्रस्तुत की है, मैं सदन से आग्रह करूंगा कि देश हित में इसे पारित करने में हम सब लोग सहभागी बनें। एक देश के लिए 12 या 15 साल का समय बहुत बड़ा समय होता है। जी.एस.टी. पर कोई आज पहली बार चर्चा नहीं हो रही है, सूपीए के समय में भी यह बिल लाया गया था, स्टैंडिंग कमेटी के सामने रखा गया था। आज के सदस्य नहीं होंगे, कोई और सदस्य रहे होंगे। लेकिन स्टैंडिंग कमेटी में इस पर पहले विंतन, मनन और मंथन हो चुका है। उसी में से निकल कर आज यह बिल हमारे सदन के सामने प्रस्तुत हुआ है। हमारे देश में, आने वाले समय में इस बिल के बहुत अच्छे परिणाम हमको मिलेंगे। इसके माध्यम से रिफॉर्मिंग सेंक्टर को बहुत मजबूती मिलेगी।

सभापति महोदय, आज हम मेक इन इंडिया की बात करते हैं, लेकिन जिस प्रकार की हमारे यहां की कर प्रणाली है, उसके कारण उद्योगपति उतने उत्साहित हो कर भारत में आने के लिए राजी नहीं हैं। दुनिया के कम से कम 144 देशों में जीएसटी कर प्रणाली को अपना लिया गया है। उसके सुपरिणाम भी उन देशों को मिले हैं। इस कर प्रणाली से हमारी जीडीपी की ग्रोथ बढ़ती है। इस प्रकार के टैक्स स्ट्रक्चर से किसानों को भी इसका लाभ होगा। डॉ. केतकर, जो 13वें वित्त आयोग के पूर्व अध्यक्ष रहे हैं, उन्होंने अपनी समीक्षा में यह बात कही है कि इस कर प्रणाली के लागू होने से किसानों को भी इसका लाभ मिलेगा। किसान जो प्रोडक्ट पैदा करेंगे, उसका उचित दाम उसको मिलेगा, बढ़ कर दाम मिलेगा और आम आदमी को वही चीजें सस्ती मिलेंगी। महोदय, सस्ती इसलिए मिलेगी

व्योंकि आज 16 प्रकार के टैक्सों को चुकाने के लिए जो परिवहन होता है, ट्रांसपोर्टेशन होता है, लॉजिस्टिक सैक्टर को बहुत पेनफुल प्रक्रिया से गुजरना पड़ता है। समय की बर्बादी होती है, समय अधिक लगता है। यहां पर विश्लेषकों ने, अर्थशास्त्रियों ने इस बात की रिपोर्ट दी है कि यह जीएसटी बिल लागू हो जाने के बाद लॉजिस्टिक सैक्टर में, परिवहन में कम से कम 30 प्रतिशत समय की बचत होगी। जहां 30 प्रतिशत समय की बचत होगी, तो यहां पर वस्तुओं के दामों में 30 से 40 प्रतिशत की गिरावट आएगी। इसका सीधा आश्रय है कि उत्पादक को उचित मूल्य मिलेगा। लेकिन आम आदमी को वही चीजें जो बीच के प्रोसेस के कारण मंहगी हो जाती थीं, वे सस्ती मिलेंगी। मैं सदन के माध्यम से वित्त मंत्री जी से यही कहूंगा कि आज आपने इस बिल को पेश किया है, यह वक्त की पुकार है, यह समय की मांग है। दुनिया जिस तेजी के साथ आगे बढ़ रही है, आज हमारी अर्थव्यवस्था को भी ताकत देने की जरूरत है। हमारी जीडीपी ग्रोथ बढ़े। यहां पर और अधिक उद्योग लगे, जो तने हुए उद्योग हैं, उनकी सेहत ठीक हो। हमारे यहां पर उद्योगों का वातावरण फले-फूले। यह तभी होगा, जब हमारे यहां की कर प्रणाली सरल होगी। ऐसी कर प्रणाली हो, जिसमें करपेशन कम से कम हो। करपेशन समाप्ति की ओर यह एक क्रांतिकारी कदम है।

सभापति महोदय, हमने अपने व्यावहारिक जीवन में देखा है कि एक व्यापारी को 16 जगहों पर अलग-अलग टैक्स चुकाने के लिए रूकना पड़ता है, बीजक देने पड़ते हैं, चालान भरने पड़ते हैं, वह निराश होता है, हताश होता है, हैशान होता है और जितनी जगहों पर ये रूकवटें आती हैं, फिर वहां करपेशन का भी मुंह खुलता है। इतनी जगहों पर एक व्यापारी, एक उद्योगपति, एक निर्माता, परेशान होने के कारण उद्योग के क्षेत्र का वातावरण उत्साहित नहीं रहता है। मैं आज के अवसर पर सदन से यही आग्रह करूंगा कि यह एक क्रांतिकारी बिल है। इससे हमारे देश के विकास में, आर्थिक विकास में बहुत तेजी आएगी, जो हमारे प्रधान मंत्री का सपना है, वह देश के लिए सपना है, हम सब लोगों के लिए सपना है, 125 करोड़ जनता के उत्थान के लिए सपना है। मेक इन इंडिया को इस बिल से बहुत ताकत मिलेगी और हमारा आर्थिक उत्थान बहुत तेजी के साथ होगा। यहां पर कुछ संशय व्यक्त किए गए हैं, एक प्रतिशत तक जो अतिरिक्त कर लिए जाने की बात है, वह उन राज्यों के लिए सिर्फ दो वर्षों के लिए है, जिन राज्यों में उत्पादन होगा। जहाँ से प्रदाय प्रारम्भ होता है, उन प्रदायकर्ता राज्यों को दो वर्ष तक इन्सेन्टिव के बतौर एक प्रतिशत राशि काटकर दी जाएगी। देश के सारे राज्यों में यह बिल लागू होने के बाद, जीएसटी लागू होने के बाद जिन राज्यों को राजस्व को हानि होगी, केन्द्र सरकार ने इस बिल में इस बात का भी प्रावधान किया है कि पाँच वर्ष तक उनको अलग-अलग स्लैब में केन्द्र सरकार द्वारा सहायता दी जाएगी। बिल पूरे परफॉर्मंस में आने तक उन राज्यों को जहाँ सहाय की जरूरत होगी, वहाँ पर सहाय भी दिया जाएगा। इस बिल पर पुनर्विचार करने की भी गुंजाइश है। इस बिल में सीधे-सीधे प्रावधान किया गया है कि माल और सेवा करों से संबंधित मुद्दों की समीक्षा करने के लिए माल और सेवा कर परिषद का सृजन करना, संघ और राज्यों की दरों, छूट सूती और सीमा जैसे परिमाणों पर सिफारिश करना, उस पर विचार करना और उसके बाद उसमें निर्णय लेना।

मैं यहाँ सदन में बैठे हुए सभी साथियों से यह आग्रह करूँगा कि हमारे देश में संघीय ढाँचा है। अधिकांश राज्य इसके लिए राजी हो चुके हैं। इसमें भी यह प्रावधान किया है कि जब ये परिषद बैठेगी, सेवा कर परिषद में दो तिहाई वोट की ताकत हमारे राज्यों की होगी और केन्द्र सरकार के वोट की ताकत वन थर्ड होगी। राज्यों को इसमें पूरी सुरक्षा दी गई है, राज्यों को पूरी शक्ति दी गई है।

यह एक क्रांतिकारी बिल है। बहुत समय बीत गया। दुनिया कहीं से कहीं जा रही है, दुनिया चाँद पर चली गई और बिल्ली ने रास्ता काट दिया, इसलिए हम वहाँ के वहाँ खड़े रहेंगे तो हम आगे नहीं बढ़ सकते हैं। आज यह समय की माँग है, वक्त की पुकार है कि इस बिल को सदन स्वीकार करे और जल्द से जल्द यह जीएसटी कर प्रणाली, एकल कर प्रणाली 1 अप्रैल, 2016 से लागू होने की दिशा में सारा सदन इसमें सहयोग करे। आशिर इसमें जो राज्य सहमत हुए हैं, यह छोटी बात नहीं है। हमारे प्रधानमंत्री जी, वित्त मंत्री जी के प्रयासों से सभी राज्यों से चर्चा हुई, राज्यों के वित्त मंत्रियों की बैठक हुई, राज्यों के वित्त मंत्रियों के सामने ये सारे प्रस्ताव रखे गए। इससे वया लाभ होगा, वया हानि होगी, राज्य को वया मिलेगा, केन्द्र को वया मिलेगा और कुल मिलाकर देश को वया मिलेगा, इन सारी चीजों पर मंथन होने के बाद इस बिल का प्रारूप सदन के सामने प्रस्तुत किया गया है।

आज हम इस देश को दुनिया में सबसे ऊँचाई पर देखना चाहते हैं, समृद्ध देखना चाहते हैं, शक्तिशाली देखना चाहते हैं, तो इसके लिए जरूरी है कि आज हमारे देश की जो कसबायण प्रणाली है, जो बहुत विलास है, जिसमें काफी कमियाँ और खामियाँ हैं और जिसके कारण हमारे आर्थिक विकास पर, जीडीपी पर, हमारे कृषि विकास पर सभी प्रकार से दुष्प्रभाव पड़ते रहे हैं, उन दुष्प्रभावों को खत्म करने के लिए और देश की आर्थिक तस्वीर तेजी के साथ हो, इसके लिए यह बिल आया है। राजनीति से ऊपर उठकर, देश हित में पूरे सदन को इस बिल का स्वागत करना चाहिए। यह बिल हिन्दुस्तान की तस्वीर में मील का पत्थर साबित होगा, मुझे इस बात का पूरा यकीन है। अलग-अलग राज्यों में अलग-अलग दलों की सरकारें हैं, अलग-अलग विचारधारा के दलों की सरकारें हैं, जब उनके साथ बैठे, वे सारे लोग इस बात के लिए राजी हुए और सारी बारीकियों का अध्ययन करके ही एक बहुत अच्छा परिष्कृत बिल सदन में पेश किया गया है। मैं इस बिल के समर्थन में अपनी बात रखते हुए माननीय वित्त मंत्री जी को और प्रधानमंत्री जी को बहुत-बहुत धन्यवाद देता हूँ। देश की तस्वीर की खातिर, मेक इन इंडिया का सपना साकार करने की खातिर यह बिल हमारे देश के लिए मील का पत्थर साबित होगा और सारा सदन इस बिल का समर्थन करेगा। बहुत-बहुत धन्यवाद।

SHRI T.G. VENKATESH BABU (CHENNAI NORTH): I thank you, hon. Chairman, Sir, for giving me an opportunity to speak on this important legislation the Constitution (One Hundred and Twenty-second Amendment) Bill, 2014.

Sir, on behalf of the All India Anna Dravida Munnetra Kazhagam led by hon. Makkal Mudalvar, Amma, I rise to oppose as well as to voice our concerns on this Bill in its present form. Our Party the All India Anna Dravida Munnetra Kazhagam led by hon. Amma is not opposed to the idea of tax reforms in our country. To add, I must say that we are not averse to reforms in any subject if they are pro-poor and the aim is public good.

We are opposing this legislation because it has not taken into account the views of all the stakeholders. You cannot suddenly bring a constitutional amendment in the pretext of reforming indirect tax structure without even thinking or mentioning anything ever about direct tax reforms as well as the General Anti-Avoidance Rule (GAAR).

15.56 hrs (Hon. Deputy-Speaker *in the Chair*)

Coming to the GST, it is a contentious issue not only in India but the worldwide. We know from the experience of many countries that bringing in destination based tax is not very easy. The reason is that it shifts the taxation from the point of origin, which is the normal practice worldwide to the point of destination. We all know that elections were lost and later won on the GST issue in Australia. Indian experience has also shown that State Governments including the one headed by our hon. Prime Minister when he was the Chief Minister of Gujarat, opposed the GST Bill. The reason is the loss of revenue.

Being a manufacturing and a net export State, Tamil Nadu is losing. In Tamil Nadu's case, we have a conservative estimate loss of Rs.10,000 crore per fiscal in addition to the revenue loss arising out of phasing out of CST and transfer of Input Tax Credit on Inter-state sales and Inter-state stock transfers. The State also stands to lose substantial revenue arising out of subsumption of other taxes such as Entertainment Tax, Luxury Tax, Entry Tax on Vehicles and Betting Tax etc.

Taxation shifting shipping from the point of origin to the point of destination has created a piquant situation of huge and recurring revenue loss to the State. The sin we committed was industrialization of the State. Dr. Amma, a revolutionary and visionary leader committed herself to the rapid industrialization of the State. We invested heavily on infrastructure both physical and human resources. A cursory view of the Vision 2023 Document brought out by our hon. Dr. Amma will illustrate our sincere commitment to the overall growth of the State in all sectors. Tamil Nadu has been voicing its concerns and seeking broad consensus on key contentious issues.

Our State is consistently pressing for arriving at a broad consensus on key contentious issues like compensation and methodology, revenue neutral rates, floor rates with band, threshold limit, commodities to be excluded from GST, IGST model, clarity on dual administrative control etc., before the enactment of the Constitution (Amendment) Bill on GST as these issues are very critical in determining the likely revenue shift and loss to the State Governments. Without such consensus, agreeing to the enactment of the Bill will mean that the State will be at the mercy of the Union Government or the GST Council.

Following are the specific issues on the provisions of the Constitution (One Hundred and Twenty-second Amendment) Bill, 2014 where the State has raised its concern.

16.00 hrs.

First is the GST Council. The GST Council as proposed in the Amendment Bill will make recommendations on a whole range of issues relating to subsuming of taxes, cesses and surcharges under GST, exemptions for goods and services, model GST laws, etc. This will override the supremacy of the legislature both at the Centre and at the States in taxation matters. In the GST Council, the Union Government has one-third weightage in vote and only two-third of the weightage in vote is given to States and Union Territories. Voting rights of States and Union Territories are equal irrespective of their size. We are, therefore, opposed to the idea of the GST Council as a Constitutional body as it compromises the autonomy of the States including in fiscal matters.

The other thing is inclusion of petroleum products under GST. Originally, power to levy tax on petroleum products was proposed to be kept out of GST. However, now petroleum products such as petrol and diesel are simultaneously proposed to be levied with VAT by States and brought under GST with zero rating. That is, initially no tax will be levied on petroleum products under GST. The date on which such tax under GST shall be imposed has been left to the decision of the GST Council at a later date after introduction of GST.

Considering the short supply chain, collection of tax on petroleum products at the first and second points of sale is now being done efficiently and without leakage. Presently 21 per cent of our sales tax revenue is only from petroleum products. Bringing these products under the ambit of GST, even if at a later date after introduction of GST, will curtail the taxation powers of the States and entail huge revenue losses to the States as input tax credit will have to be provided under GST. We, therefore, urge that the petroleum products be totally kept out of the purview of the GST.

The other thing is power to tax tobacco and tobacco products. In the Amendment Bill, tobacco and tobacco products are proposed to be brought under GST. But the Centre has retained with it the power to levy excise duty on tobacco and tobacco products with no such provision for the States. We, therefore, urge that the States should also be given similar power to levy higher tax over and above SGST on these products.

The other thing is revenue lost due to CST. Manufacturing States like Tamil Nadu stand to lose huge revenues to the extent of Rs.3,500 crore per annum if GST is implemented as GST will be based on the destination principle. Hence, it was suggested by the State Government that the States may be permitted to retain four per cent of the CGST, part of IGST, on all inter-State sales without crediting any amount to a compensation fund as a permanent compensation mechanism. This has not been agreed to by the Government of India.

On the contrary, the Amendment Bill envisages that the States be permitted to levy additional tax on sale of goods to the extent of one per cent in the course of inter-State trade or commerce for a period of two years or such a period as the GST Council may recommend. Further the amendment Bill empowers the Government of India to exempt goods from this additional levy of one per cent. This is a temporary provision and will not compensate the State for permanent losses. Hence, this provision is not acceptable and the State should be permitted to retain four per cent of CGST, that is part of IGST, on all inter-State sales as well as transfer of both goods and services.

The other thing is provision for compensation. The Amendment Bill provides the Parliament to enact law to provide for compensation to the States for a period which may extend to five years on the recommendation of the GST Council. The mechanism and formula of compensation is not clear. It is indicated that the compensation proposed is to the extent of 100 per cent for the first three years, 75 per cent in the fourth year and 50 per cent in the fifth year. This is not acceptable to us. Taking into account the permanent losses that would accrue to the States, we urge the Centre to provide 100 per cent compensation to the States for the entire period of five years. Consensus should also be evolved on the methodology and the period relating to compensation. Further, such a detailed provision should be included in the Constitution Amendment Bill itself. There are many other vital issues also; for example, the Herculean task of setting up the requisite information technology infrastructure for administering GST on a pan-India basis as well gearing up and training authorities at the Centre and the States needs to be addressed.

The transition to GST is not going to be easy. It involves not only considerable work but also formidable challenges. Unlike in many countries where GST is a centralized tax, in India it is leviable by both the Central Government and the State Governments. This implies that both the structure and administration of the levy will have to emerge after detailed negotiations and bargaining between the Centre, 29 States and 2 Union Territories. Given the sharp differences between and across the States over Sales Tax revenue as a ratio of Gross State Domestic produce, the interests of the States do not always coincide and so considerable effort is needed to persuade them. This is going to be difficult since some States like Tamil Nadu lose heavily.

There is another thing. Once the GST is rolled out, the cost of services is going to increase substantially. Presently, the service tax is 14 per cent which is going to be notified soon plus 2 per cent Swachh Bharat cess which is also going to be notified soon. With unofficial revenue neutral rate, expected it to reach 27 or 28 per cent once GST is rolled out. You and I have to pay 27 to 28 per cent as tax from the present 14 per cent for any service like Speed Post, telephone Bill, life insurance premium and so on and so forth. In all walks of life, to avail any service, the common man will have to cough up more money. You can imagine the negative impact on the common man. I am not going to other major issues since there is paucity of time. As has been urged by us time and again, clarity on the implication of the Bill should be there. It is therefore essential to evolve a broad consensus among the States on crucial issues before hand.

In GST, we sincerely hope that the present Government should withdraw this piece of legislation in the present form by referring it to the Standing Committee to reach a broad consensus on all critical issues which create a win-win situation for all and then bring the legislation for passing in this august House. I am sure that the Bill has ample potential to usher in monumental changes in the indirect tax regime in India. It is

only a starting point and we have to tread a long path in our nation's uninterrupted journey of development. Our humble request to the Government is, kindly seize this opportunity and take on board all stakeholders and bring out a fine piece of legislation. The need of the hour is not political scoring, but exhibition of a statesman's quality. We are sure the hon. Prime Minister, who is a champion of cooperative federalism, will understand the sense of the House and the nation and take positive steps. I am also confident that the hon. Finance Minister will address the issue of trust deficit between the Centre and the States and do a great service to the nation. True collective national vision is the requirement at this challenging moment. Let us hope that good sense prevails. With an ardent appeal for re-look of the issue by the Government, I thank our leader Dr. Amma and the patient Chair and conclude.

SHRI KALYAN BANERJEE (SREERAMPUR): Sir, broadly, we are supporting this Bill but we have some suggestions and some requests.

Very closely, we have examined the provisions of the Constitution (One hundred and Twenty-second Amendment) Bill, 2014. There are still some major concerns of the State that have not been appropriately addressed. We have a request to the hon. Finance Minister. It is to hear our suggestions and remove the difficulties since I have said that broadly we agree to this Bill.

So far as the GST compensation is concerned, it was unanimously agreed that the State should be compensated by the Government of India for loss of revenue for at least five years. We are strongly of the view that this should be guaranteed by the Constitution itself. Section 19 of the Bill as it stands today reads as follows:

"Parliament may, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for such period which may extend to five years."

We suggest that in section 19 of the Bill, for the words, "Parliament may", the words, "Parliament shall" be substituted. Further, the words "for such period which may extend to five years" should be replaced by the words "for a period not less than five years".

In respect of inclusion of petroleum crude, high speed diesel, petrol, natural gas, and aviation turbine fuel, our stand all along has been that goods and service tax should not be levied on petroleum crude, high speed diesel, petrol, natural gas, and aviation turbine fuel at least in the initial period as presently these items are taxed at higher rates and constitute a major source of revenue for the States.

While it may be acceptable not to constitutionally bar levy of GST on such goods, the genuine apprehensions of the State about the revenue collection from such goods also need to be appropriately addressed.

The proposed Article 279A for constitution of the Goods and Services Tax Council has the following provision relating to levy of GST on petroleum products:

"(5) The Goods and Services Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel."

Even though the Bill proposes levy of GST on such items from the date to be recommended by the Goods and Services Tax Council, it needs to be ensured that GST is not imposed on such petroleum products at least in the initial period of five years after the introduction of GST on other goods and services. For this, our suggestion is that the proposed Article 279A may be as amended as I am reading:

"(5) The Goods and Services Tax Council shall recommend the date, not being a date earlier than five years from the date of coming into force of the parliamentary legislation in accordance with Article 246A, on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel."

In respect of the power of State to impose tax on tobacco and tobacco products, it is stated that the Centre even after the amendment proposed to entry 84 of List I, i.e. Union List of the Seventh Schedule shall continue to impose excise duty on tobacco and tobacco products. We urge that the States should be treated on a par with the Centre and they too should be allowed to impose sales tax over and above GST on tobacco and tobacco products. Thus, the entry 54 of List II, i.e. State List of the Seventh Schedule needs to be appropriately amended.

Regarding the proposed new Article 269A in the GST Bill, I would like to mention that since the revenue of the States will depend on the inter-state transactions, they must have the authority to verify the transactions. So, for providing a legal framework, it is absolutely necessary that the relevant enabling clause should be added to the proposed Article 269A as was earlier recommended by the Empowered Committee. While we appreciate the partial release of compensation for 2010-11 of Rs.318.56 crore in March 2015, it is felt that the balance amount of it, together with the compensation for the years 2011-12 to 2013-14, should be released immediately. This will help in creating the necessary goodwill between the Centre and the States and will provide the much needed comfort to the latter before introduction of the GST.

In 2010-11 the net compensation receivable was Rs.860.36 crore and the compensation received was Rs.540 crore and, therefore the amount pending is Rs.320.36 crore. In 2011-12 the net compensation receivable was Rs.1048.91 crore and the compensation received was nil. In 2012-13 the net compensation receivable was Rs.1336.50 crore and the compensation received was nil. In 2013-14 the net compensation receivable was Rs.1237.52 crore and the compensation received was nil. The total receivable amount was Rs.4483.29 crore and the compensation received was only Rs.540 crore and the amount due is Rs.3943.29 crore.

Lastly and importantly, I would like to emphasise that GST can only succeed provided the States are financially strong. This is particularly important to keep the federal structure intact and empower the States to effectively meet their developmental and infrastructural responsibilities.

The Finance Minister of our State had earlier requested the Union Finance Minister and I believe a number of times these points have been placed before the hon. Finance Minister. We hope that these suggestions are taken care of by the hon. Finance Minister. At the very threshold I have said that broadly we are supporting it but we are waiting. Since we are very happy to see your smiling face, we will also smile when we will get our dues. Thank you.

SHRI BHARTRUHARI MAHTAB (CUTTACK): Mr. Deputy Speaker, Sir, I stand here after our good friend, Kalyan Da has just mentioned about the trust deficit that was existing when the UPA Government was discussing about the GST. He referred to, very rightly, Section 19 which has become a part of the Bill. I would congratulate the Government to have restored the trust deficit that had crept in. Because of non-adherence to the commitment that the earlier Government had given to the respective State Governments, the GST had actually become something of a dream.

At the outset, I would say, right from the inception GST has been hailed as a game-changer. While I was insisting that it should be referred to the Standing Committee at that time also I had said that this idea of GST will be a game-changer, making the whole country one market and the very concept that there would not be compounding of taxes, repetition of tax after tax, it would help not only the traders, as Nandu Bhai has just now mentioned, it will also help the consumers to a great extent. In that respect I would say, a great change will occur, a game-changer in reforms that aims to make India a single seamless market. The fundamental objectives of GST are the removal of cascading impact of taxes, to bring transparency in compliance, to boost investment and thereby enabling a 1-2 per cent increase in the country's economic growth. In this new Bill, there are certain areas that vitiate the principles of GST and could possibly hamper the ease of doing business. For example, what has been mentioned is the additional non-credible one per cent tax in Clause 18 of the Bill which proposes one per cent on the supply of goods in the course of inter-State trade or commerce to be levied at source. The term of the additional tax is for two years or such other period as the GST Council may recommend. This is a talk of the town today that when already the loss for the States has been compensated, then why do you have a one per cent more?

Sir, the Task Force on GST appointed by the 13th Finance Commission had recommended significant broadening of the tax base and had suggested a single low rate of 12 per cent, that is, 5 per cent CGST and 7 per cent SGST. What is the proposal now? Initial proposal to set the GST is at 27 per cent which is indeed very disconcerting. A high GST rate will be unviable for the economy that would lead to a significant inflationary pressures. That will affect consumer sentiments and alienate weaker sections of the society.

The idea of GST is from European market. What is the GST rate in European market? It is 13 per cent. What do we have after our Empowered Committee went around Europe and to Canada? We have come back with 27 per cent. The revenue neutral rate needs to be kept low to spur growth, contain the inflationary pressure and achieve higher compliance. What we find today is that this Government is going in the opposite direction.

Sir, I come to the major issues which our Government from Odisha has been putting forth. But before coming to that, I would say that from a road block during the UPA regime, the incessant effort of this Government has finally seen how to implement GST. We have seen this during the last one week or 10 days time. The Constitution (Amendment) Bill when passed would be implemented from 1st April, 2016. I would mention here categorically that our Party, Biju Janata Dal, is in favour of any reform in the taxation system. That will help in growth of the economy. It should also protect the fiscal interest and autonomy of the State.

There are four issues which need to be addressed. First is relating to the CST compensation. At least, one is assured by this Bill that compensation to the States for loss of revenue arising on account of implementation of the Goods and Services Tax for such period which may extend to five years is mentioned. Now the Union Government will be duty bound. Legally, this has to be implemented. The commitment which was given by the previous Government was not kept. Odisha, for instance, is suffering from loss on account of reduction in CST rate. Odisha had claimed Rs.4702.21 crore towards CST compensation for the period 2007-08 to 2013-14 but has received Rs.1464.73 crore up to 25th April, 2015. Nothing else has flown in between. Non-release of compensation on account of loss towards CST reduction has caused trust deficit between the Union Government and respective State Governments. Now, the Government has brought it into the Bill to make it legal. This is being done only to gain confidence. Why does the Government not start the release of money? Once the Government starts the release of balance amount of CST compensation, it would infuse confidence. Here, I would like to say that this compensation to the States for loss of revenue arising on account of implementation of CST will be for five years and the compensation will be on a tapering basis. That is, 100 per cent for the first three years; 75 per cent in the fourth year and 50 per cent in the fifth year.

Sir, my second point is about the Green Tax. That is a proposal which the Government of Odisha has put forth in the meeting of the Finance Ministers. I have moved an amendment highlighting the issue. On earlier occasion I had raised it in the House and the hon. Finance Minister had responded in a different way. This is for all mineral bearing States, not only for the State of Odisha. It would help those States in a very big way. Odisha is a mineral rich State and a major share of minerals are either sold for consumption in other States, or used in production of goods which are sold to other States. Under GST, the Destination Principle applies and the mineral producing States where pollution is localised do not get any part of the revenue. It is only the consuming States that gets the tax revenue, whereas the pollution is suffered by the citizens of the producing States. Why does the Government not take into consideration the adverse environmental impact? I have proposed for the levy of an additional non-rebatable cess subject to suitable framing of guidelines. The GST Council may take a decision after consultation. But I would like to have an assurance from the Government. I would like to suggest that there should be a new entry in the Seventh Schedule to the Constitution, State List as 54 (a) -- 'other polluting goods and services to be notified by the GST Council'. This would go a long way in mitigating the problem the mineral bearing States would have to bear because of pollution. Thus the mineral rich State may impose Green Tax outside GST on despatch of minerals in course of inter-State sales and branch transfer and exports. VAT, CST, Entry Tax and Entertainment Tax will be subsumed today in GST. Therefore, in stead of leaving it to the Council to take a decision, the Government may put it in the Bill. That is our suggestion. I would like to make it very clear that in the Council

with 29 other stakeholders, with mineral bearing States hardly eight to nine of them, does the Government expect other States will also support it? But here is a request to the hon. Finance Minister and to the Central Government that it should be put in the Bill so that it becomes a national Act and it becomes binding on others.

Sir, the third point is about the Union Government's power to tax tobacco and tobacco products. This power is not given to the State Governments. The consumption of these products is to be discouraged. Every State should have the right to levy on these products and accordingly discourage its use. Therefore, I urge upon the Government that tobacco and tobacco products should be included in entry 54 of the State List so as to enable the States to levy higher rate of tax on it.

The fourth point, one may say, is a bit theoretical. It is about the decision of the GST Council. It is there in this Constitution Amendment Bill. There is a new article 279 (a) to constitute a GST Council. It has been proposed in the Bill. It is proposed that every decision of the GST Council shall be taken at a meeting by a majority of not less than three-fourth of the vetted votes of the members present and voting. The vote of the Union Government shall have a vetted of one-third of the votes cast and the votes of all States taken together shall be vetted at two-third.

Under the proposed amendment, if all the States vote in favour, which would be a rarity, and if the Union Government votes against the views of the States in the meeting shall be negated by the single vote of the Union Government as the States taken together cannot have three-fourths majority. This is pure mathematics. In this situation, the Government will have a veto power.

Therefore, I have suggested that the Union Government should have weightage of one-fourth of the total votes cast and all the States should have weightage of three-fourths of the votes cast and the decision should be taken by three-fourths majority. But I believe that such a situation will never occur because, for a country, both Centre and States have to work in tandem and have to work together.

Here, I would say about inter-State taxation system which will be there for another two years after the implementation of this Act, namely, 2018. But the issue is relating to inter-States sales.

At present CST amounting to two per cent is collected for inter-State sales and zero per cent on branch transfer and exports.

To explain it a little further, I would say if the Tata Company's factory is in Jamshedpur, and the mine is in Odisha, they do not pay a single rupee as tax to Odisha Government on whatever minerals they take to Jamshedpur. This is branch transfer. Odisha does not get a penny. The minerals go to Jamshedpur, that is, to Jharkhand. This is branch transfer. Our concern here is exports.

For instance, on minerals despatched by Tata Steel and others to its branches outside the State, no CST is collected. It should be brought into GST fold.

For your information, I may also mention here that the total CST is around Rs. 917 crores which has been collected during 2014-15 out of which CST on coal and minerals is Rs. 250 crore. Odisha Government will be collecting one per cent on inter-State sale for two years. We do not know what happens after that. The Council has to take a decision. Should we wait for the GST Council to look into this matter? It would be better if it is addressed when the Bill is under consideration. No wonder that the Finance Commission had raised questions on exclusion of goods from GST. The 13th Finance Commission had recommended that tobacco and alcohol should not be excluded from GST. The 14th Finance Commission said that exclusion of any is not desirable. However, IMF has said that GST will improve tax compliance and enhance growth by 1 to 1.5 per cent over time but it has also said that GST may not add substantially to the Government's revenue in the near term.

This reminds me of Benjamin Franklin. He is a very well known person and many of us in the House know about him. He had said: "In this world, nothing can be said to be certain except death and taxes." Sir, I am reminded that whenever any Government – this is a quotation of the French Revolution – comes out saying that they are doing good for the subject, you are going to benefit because of small deviation in taxation, the subject should know that greater tax is going to be imposed and here, we have 27 per cent tax coming. Yet I would say with a year on year delaying in the Government's timeline for implementing GST, there should not be more delay.

Our attempt of sending it to the Standing Committee was not to delay the Bill. We were only insisting on the question of propriety. There should not be more delay. That is our Party's view. After introduction of this new Bill, the Standing Committee could have been asked to deliberate and give its Report.

We are in the first week of May today. Sir, hon. Speaker has already taken a decision and you have pronounced it from the Chair. I need not debate on that issue. We all will abide by the ruling. But instead of going into the full history of GST, how it has developed and what has transpired in the last so many years, I would only reiterate only one point of demand. It is on the imposition of green tax. We would stick to our amendment and would like to impress upon the Government and the hon. Finance Minister to bring forward an amendment to that effect.

With these words, I conclude.

SHRI RAHUL SHEWALE (MUMBAI SOUTH CENTRAL): Hon. Deputy-Speaker, Sir, I thank you for allowing me to speak on the 122nd Constitution Amendment Bill to facilitate the introduction of the Goods and Services Tax (GST) regime in India.

16.36 hrs (Shri K.H. Muniyappa *in the Chair*)

Sir, at the outset, I place on record my sincere thanks to the hon. Finance Minister for bringing forward such a Bill that may remove the existing complicated tax structure and pave the way to legislate the uniform tax structure around the country.

Sir, it is understood that GST will replace all indirect taxes levied on goods and services by the Central and State Governments. It is aimed at being comprehensive tax regime for most goods and services. Our country is a federal republic, and the GST will thus be implemented concurrently by the

Central and State Governments as the 'Central GST' and the 'State GST' respectively. Export will be zero-rated and imports will be levied the same taxes as domestic goods and services adhering to the destination principle.

I have gone through minutely the amendments proposed in the Bill by the hon. Finance Minister. I observed some points. Hence, I would like to share them with the august House, which, I think, may affect tax structure of the State Governments and may bring extra burden on the public exchequer. Being the public representative and Member of Parliament from Mumbai South-Central Constituency of Maharashtra State, it is my humble duty to highlight how the proposed amendments would affect the revenue of the Municipal Corporation of Greater Mumbai.

The proposed One Hundred Twenty Second Constitution Amendment Bill facilitates the introduction of the Goods and Services Tax (GST) regime in India. GST will replace all indirect taxes levied on goods and services by the Indian Central and State Governments. The above Amendment Bill seeks to omit Entry 52 of the State List of the Constitution of India.

I would like to submit my view in regard to omission of Entry 52 of the State List of the Constitution of India. Entry 52 of Seventh Schedule, List-II of the Constitution of India empowers the Municipal Corporation to levy taxes on the entry of goods into local area for consumption, use or sale therein. Due to omission, the powers vested with the Municipal Corporation to levy such taxes would be eliminated; thereby the present source of revenue by way of octroi would not be available which would have adverse impact on the Municipal Corporation's revenue income. Due to cash liquidity and buoyancy in octroi, local body taxes, there is a preservation of financial autonomy as well as adequate financial resources of the urban local bodies in Maharashtra, and omission of Entry 52 of the Constitution of India, the financial autonomy of the urban local bodies will be jeopardized.

After the 73rd and 74th Amendments to the Constitution, the responsibilities of the local bodies have increased manifold. It is necessary that the resources available to local bodies should be commensurate with the obligatory and other discretionary responsibilities cast on them and that the local bodies have adequate autonomy in the matter of raising such resources to meet the expenditure of essential civic services and also have adequate resources to meet the demands of maintenance and new capital works.

Mumbai is the financial capital of India and is the biggest Municipal Corporation in the country; and considering the dependence of this Corporation on the revenue generated from taxes, we are very much concerned to safeguard the interests of the revenue by which the Corporation may be able to provide infrastructure projects to the growing population to meet its demands.

In view of the points raised by me in my speech towards adequate financial security of the Municipal Corporation, I have moved some amendments to this Bill.

In Clause 12, 279(a), it is stated that the Goods and Services Taxes Council shall consist of the following Members – one is the Union Finance Minister, who is the Chairperson of this Committee; and the other Members are the Union Minister of the State in charge of Revenue and the Minister in charge of Finance or Taxation or any other Minister nominated by each State Government. I propose that the Mayor of the Metro City shall be inserted in this Clause.

In Clause 17, the Entry 50 shall be omitted. I propose that this Clause should be deleted or tax on Entry of articles – crude oil, petroleum products, liquid vehicles, and cigarettes into local limit for consumption, use or sale therein - shall be substituted in Entry 52, Seventh Schedule, Part II of the Constitution of India.

In Clause 19, I propose that Parliament may by law on the recommendations of the Goods and Services Taxes Council provide for compensation on the States for loss of revenue arising out on account of implementation of the Goods and Services Tax for such period, which may be extended to five years. I propose that the word 'may' be substituted by the word 'shall' and after the word 'States', the words 'Urban Local Bodies' shall be inserted, and in place of the word 'five', the word 'ten' shall be substituted.

Hence, I would request the hon. Minister to safeguard adequate financial security of the Municipal Corporations and other local bodies of the States; the right to collect Octroi by them shall be allowed to continue. With these words, I support the Bill. Thank you very much.

DR. RAVINDRA BABU (AMALAPURAM): Thank you very much for giving me an opportunity to speak on this historic Bill on indirect taxes, that is, the Goods and Services Tax. We have seen the evolution of indirect taxation as far as Central Indirect Taxes is concerned. It is unbelievable that from tobacco and salt, it has been evolved to the GST making India an elite hub for manufacturing activity. It is very important in the context of 'Make in India' slogan given by the Prime Minister. To make tax administration, especially 'indirect tax administration' smooth which would definitely encourage world class entrepreneurs and manufacturers to come to India because GST would definitely pave the way for smooth tax administration. Before the GST, in the Ease of Doing Business Index, India was ranking 142 in the world; India is ranking even below Nepal, Sri Lanka, Bhutan and other countries. With one stroke of the GST Bill, our country will catapult into such a position that it would become a very attractive destination.

It will subsume a lot of taxes in the Central Government. For example, the Central Excise Duty, Service Tax, Additional Customs Duty, CVD, etc. would be subsumed into the Central Excise Duty. Sales Tax, Octroi, Municipal Taxes, Luxury Taxes would also be subsumed into the State GST. There is another GST which is called the IGST. Therefore, we understand that there is a triple levy administered by dual administration. There are State officers who will administer this tax; there are Central officers who will administer this tax. As I understand the Central GST would be administered by the CBEC, Central Board of Excise and Customs, whose Chairman is on record saying that they were never a part of the process of the GST. I don't know how the CBEC is going to administer the GST, if at all it is entrusted with this work. The State GST is run by the State officers. I do not know how far they are well aware of the contours of the State GST, especially IGST, inter-State GST which is inflationary in its nature. How is it going to be tackled when it unfolds?

I have a small suggestion. Article 312 of the Constitution of India provides for creation of All India Services like IAS, IPS which were created in 1947. In 1966, Indian Forest Service was created. Now, I feel that there is a need to create IRS (GST) All India Service. The GST officers can go to the States and administer the State GST and the Central GST also very effectively because these are the CBEC IRS officers who are well trained in the

indirect taxation, well trained in the indirect tax collections and they are also well trained to understand the notifications and litigations. For example, the present regime, the present scenario of GST which is presented in this Bill, there is a possibility of the Central officers knocking the doors of a businessman, State officers knocking the doors of a businessman on the receipt of an intelligence that there is tax evasion. The Central Government officers may not find fault with him; the State Government officers may find fault with him. The tax limit being Rs. 10 lakh, there is every possibility that he will be booked under the State Government tax rules. If they book the case, the Centre also will try to book the case. If they do not book the case, it will lead to litigation.

At the adjudication stage, it is not very clear in the Bill, where the appellate authority is, how the adjudication process will take place and how it is going to be resolved. The limit of Rs. 10 lakh, which is envisaged in the proposed Bill, we doubt whether it is going to be misused. It is because, in service tax, people have seen, when the limit of Rs. 10 lakh was put, so many people floated so many companies in order to keep themselves under the slab of Rs. 10 lakh. Therefore, the same thing may be repeated in the GST. If that happens, instead of expecting 1.2 or 1.5 per cent GDP growth, we may lose that much back. Every man, every common man in this country is looking forward to GST not because of decoration purpose, but it is going to end the inflationary process; it is going to reduce the prices of the commodities; it is going to reduce the prices of the services. The businessmen are also looking forward to it because it is going to make their tax administration and tax payment so smooth, so easy. Therefore, very enthusiastically people are waiting for it.

I appreciate the Finance Minister in pushing forward this Bill very restlessly. Our Chief Minister, Chandrababu Naidu *garu* is also very restless in pushing forward the economic reforms. He does not sleep also for more than two-three hours in night because he believes that unless the country becomes economically strong, no country can progress well. In the same way, I understand the Prime Minister, I understand the Finance Minister in being restless in pushing the historic GST Bill forward. It is because, this is the Bill which is making history in India after 1947 to make India economically very strong. So, let us take this opportunity to bury the differences of the political parties and support this Bill. If there are any problems faced by the Bill, we will definitely take it head-on by creating some tax resolution mechanisms. While it unfolds, let us wait for it. Let us not wait for how to start the mechanism of resolution first and then unfold the Bill. Let the Bill be unfolded; resolution will be automatically in its place. For example, we have High Courts, we have a Supreme Court, we have a lot of tribunals, we have so many adjudicators, so many eminent economists and financial advisers. Let us not have any apprehension about GST. We have been waiting for this historic Bill. I think this is one of the historic Bills to reduce the common man's burden of purchasing the goods and services from the market. Businessmen are also looking for a lot of industrial growth, a lot of industrial setting up so that employment generation also will increase. The country is going to get benefited with the introduction of GST.

I fully support it on behalf of Telugu Desam Party, on behalf of my colleagues. I also beseech upon all my colleagues, let us support the GST Bill. Let us not oppose it for the sake of regional and political considerations. If there is any problem in the amendments which are irrelevant in comparison to the earlier Constitution (115th Amendment) Bill – now it is the Constitution (122nd Amendment) Bill – let us resolve it by resorting to so many processes. But let us not defer it. As the Finance Minister correctly said, by deferring it or by sending it to the Standing Committee, we are going to lose one year. One year is very costly for a poor country like India. So, let us make it as early as possible. But, let us make tax administration also as smooth as possible by utilizing the best services of the Central Board of Excise and Customs.

Thank you, Sir.

SHRI KONDA VISHWESHWAR REDDY (CHEVELLA): Thank you, Sir. Let me start by saying that the GST is indeed a positive reform and has the potential to enhance the economy of the country and of the individual States. Further, it will enhance enforcement and collection of taxation. Monitoring and enforcement will no longer be the sole responsibility of the Commercial Tax Officer, the industry will take part in this. A tax compliant company will ensure that all its suppliers are also tax compliant. Otherwise, the penalty will be faced by the tax compliant and it has to pay double taxes. The company that cannot recover the tax paid to them through VAT crediting mechanism will ensure all its suppliers to be tax compliant. The GST will encourage supply chain mechanism which is tax compliant and self-enforcement, from raw material manufacturer to component manufacturer, to end product users, to distributor and to retailers. Even the retailer becomes tax compliant because of their clean audit trail of tax payment. This will also ensure that corruption is reduced.

I do believe in the Government's projection that 1 to 1.7 per cent increase in GDP will be solely because of GST. However, I have several reservations. Hon. Veerappa Moilyji has already expressed the issue of Council's consensus versus voting. But the GST itself has a long history. In 2006, it was proposed by the then Finance Minister and they planned to implement it from 2010. Then there was a study paper in 2007. There was phasing out of CST. Then, an Empowered Committee was formed and the history goes on. In the year 2013, the Empowered Committee had rejected the Central Government's proposal to include petroleum products into the GST. And finally, after this iteration, we are here today once again discussing the GST.

We imagined that all these anomalies and issues would have been ironed out but that is not the case. There are still so many issues which the hon. Members have already raised. I have some of the issues here. Many hon. Members have also mentioned them. One of the issues is the one per cent inter-State transfer tax. While the very concept of GST is to avoid cascading tax, this one per cent itself translates into a cascading tax. Many products are not made at one place. There was a detergent manufacturer, who explained that his salt comes from Gujarat, then they go to Rajasthan and then the raw material is stored in Madhya Pradesh. So, it goes through seven States. This one per cent actually translated to not just seven one per cents but cascaded seven one percents and sometimes it goes upto 10 per cent. We definitely need to review it. The one per cent tax is actually a legacy of the old CST system in the GST environment. As someone said, it contaminates the purity of the GST system which is actually very good. Its effect on certain industries is very detrimental. Like for example, the steel industry made a representation. The Bhilai Steel Plant cannot sell its steel directly to a consumer in J&K because the manufacturer sells steel in hundreds of tonnes. It gets stored somewhere in Noida and Gurgaon. Then, a dealer in Delhi sells it to J&K consumer. Sometimes the consumer cannot buy 20 feet long tubes or pipes, so they cut it and then sell it. In that case, the net effect is four or five per cent. So, this one per cent is really not one per cent.

Also the exclusion of real estate will mean no credit will be allowed for taxes paid on inputs such as steel, cement, etc. All our buildings, factories, cell phones, cell towers, power transmission towers, bridges require steel and cement. It will also dilute the benefits of GST in this industry. The GST is very powerful. It is not just an economic tool. It can also bring about social changes and reduce certain types of crimes. Actually, good implementation of GST and covering real estate may actually reduce sand mafia.

Sir, I am a member of the Standing Committee. We had representations from many industry groups. I mentioned a couple of them – detergent as well as steel. Every industry group, which approached us, appealed to us and said: "GST is good for us but these are certain issues." These need to be resolved.

GST does not subsume many products and it excludes petroleum products, cigarettes, alcohol, etc.

GST is very powerful. As I said, it is not just an economic tool to increase; it can bring about social changes. I would like to draw the attention of the House to a very sensitive matter. India is fast becoming alcoholic. We have the largest number of whisky drinkers in the world. We have the largest consumption of liquor. Now, being very politically right, they did not want to encroach upon States. In many States, in excess of 15 per cent of the State annual revenues is coming from alcohol-related items. So, they did not want to touch upon those. The States also tax very high on petroleum, cigarettes and alcohol. I would just like to focus on the issue of alcohol.

The States charge high rates because these are harmful products. These products cause harm to those who consume it, those around them, to our environment and to society. The States should be allowed to charge special taxes at a very high rate because they control harm as well as it raises revenue for the States. At least that is the intent. But that is not happening exactly. As far as smoking is concerned, we are one among the highest in the world. As far as consumption of alcohol is concerned, we are the highest.

Besides the issues and anomalies raised, the Bill misses a great opportunity to bring about a social change. Today, we have the duties on these harmful products. I would like to call them 'harm taxes'. The States charge various types of duties and taxes on alcohol. I would like to call these as 'harm taxes'. This tax is based on the price of alcohol. It is not based on the quantity of alcohol. For a cheap quarter bottle of liquor, the tax is low and for an expensive quarter bottle of liquor, the tax is very high but the harm causes to a person is the same. So, I think, this GST Bill misses an opportunity to change this from a price-based tax to a quantity-based tax. There is an example. We have the cheapest liquor, very high quality liquor, and it costs Rs.45 per quarter bottle. It is consumed extensively in the rural areas. We have the hon. Prime Minister who is talking about 'Made in India'. In most of the Indian products, the machinery quality is very low but there is one thing. Even Germany and Brazil import our distilleries. They make the highest quality of distilleries at the lowest price. So, this is not the intent. Rural India is fast becoming alcoholic. We have made our country alcoholic. So, GST misses a great opportunity. This needs to be reviewed.

Finally, I would like to conclude by saying that our State, being a big consumer State, actually benefits from GST. We support GST with a reservation. Unless all these issues, including one per cent inter-State tax and consensus of the Council *versus* voting, raised by various Members are addressed, we cannot support this Bill.

Thank you very much.

SHRI JITENDRA CHAUDHURY (TRIPURA EAST): Hon. Chairperson, Sir, thank you very much for giving me this opportunity.

I rise here, on behalf of my Party CPI (M), to share our views on the GST Bill. We are positive on this Bill but simultaneously we have some strong reservations and opposition to the present form of this Bill.

Sir, this Bill is proposed to be a comprehensive indirect tax levy on manufacture, sale and consumption of goods. Definitely, such tax reform is very much required because our tax regime is backdated.

17.00 hrs.

Most of the taxation laws were legislated during the colonial era. Definitely, they have to be replaced by the progressive and positive ones. This is also one such Bill. But here, we have some reservations. There must be some provisions to compensate the States for certain period for their revenue loss.

Sir, of course, this issue of GST before coming in the form of a Bill, had been debated among the States by the Empowered Committee. Look at the vastness of our country and uneven development of States with their varying capacities. Many of the learned Members have also expressed that there are some States having their resources, minerals etc, but they are not the manufacturing or consuming States. So, those States would be losing the revenue. That is why this loophole should be discussed further. All the States should be looked after and get the benefit.

Secondly, Sir, it is proposed in the Bill about the formation of a GST Council. This GST Council should be empowered by the legislation. If it is seen through this mechanism that the revenue deficit States are not being benefited, there should be a provision in the legislation that for a certain period, those States will be compensated.

While introducing the Bill, the hon. Finance Minister said that it is a win-win situation for both the States and the Centre. What does he mean by saying win-win? India is a Union of States. Most of the programmes and services are provided by the States. Unless the States are empowered and benefited; and if the taxes and revenue would not flow to the States, how would the very fundamental programmes be undertaken by the States? So, it must always be seen that the States are fully empowered and benefited. This type of a situation should be created.

Sir, in his speech, my friend Shri Konda Vishweshwar Reddy argued that alcohol should be excluded from the ambit of GST. I think according to one survey conducted by the FICCI, there are some products, which have huge share in the grey market. Almost 16.7 per cent grey market develops out of this alcohol because in different States there are so many adulterations going on. At the international borders with our States, alcohol is

smuggled in a huge way. So, if it does not come under the revenue net, the grey market will go on flourishing, which would not only hamper our economy but also hamper our society. So, I think there should be some thought on it. I am not just opposing it but there should be some thought given to it whether alcohol and other related products should be brought under the collective net.

Sir, we heard a very thought-provoking argument from our learned hon. Member, Shri Moily saying why this Bill should be sent to the Standing Committee. The concept of GST has started since 2000 under the Chairmanship Dr. Asim Dasgupta, the then Finance Minister of West Bengal. It has been debated for more than last 12 years. In the form of Bill, it has come during the 15th Lok Sabha. Now, during the 16th Lok Sabha, there have been certain changes which are proposed here. If these changes are not rectified at the various stages of its implementation and if we move in a hurry to roll out from the next year that is from 1st April, 2016, then, it will have a very long run impact to our economy.

So, I would recommend that it should be referred to the Standing Committee.

The Finance Minister of that particular State is the Chairman of the empowered Committee. This is a good gesture. It was started during the UPA period but there should be some propriety. This empowered Committee is chaired by the Finance Minister against whom there are so many things happening. It will have far-reaching impact. So, it should be chaired by someone else.

In the 73rd and 74th Amendments, there has been devolution of power and devolution of the funds and simultaneously, the local bodies are empowered to raise some resources for their development and for other things. In this Bill, there is no clarity on that. So, I think this issue should be discussed further. Otherwise, this will remain incomplete. With these words, I conclude.

SHRI VARAPRASAD RAO VELAGAPALLI (TIRUPATI): I thank the Chair for giving me this opportunity. Once Benjamin Franklin said:

"In the world, nothing is said to be certain except the death and taxes."

India is generally averse to paying taxes. Therefore, whenever we shift from one regime to the other regime, we have to be extremely careful while making it simple. The reason is that the evasion of taxes will be high if proper rules and regulations are not properly observed. The temporary exclusion of petroleum, crude and other products may not be advisable because it may lead to inflation. So, as soon as possible, the inclusion of petroleum, crude and its products may be included in this Bill.

My apprehension is with regard to what earlier Members have mentioned. The tobacco is a part of the GST base but the Centre alone can levy special excise duty without the States having that power. Therefore, there is inequality between the Centre and the States and that inequality could be avoided. The success of the GST depends upon its rate. As many Speakers have spoke about this, in other countries, it ranges from three per cent in Singapore to ten per cent in Australia. It is less than ten per cent in Canada and it is also ten per cent in New Zealand whereas India is proposing to have twenty seven per cent. Therefore, we must see that the real intent of the GST would be serving any purpose in reducing the taxes for the consumers. At present, there are specialised reduced rates for processed food products for certain backward areas. GST is going to remove that. Therefore, the Government should consider continuation of special rates on the processed food in these areas.

There is also no clarity on the merit rates of certain items and the States are losing their autonomy in this regard. Therefore, the Government should also consider merit rates on certain items.

Certain States levy Octroi duty on entry of goods. When a uniform tax will be imposed by way of GST, it will make certain States like Maharashtra and Telangana, which are imposing octroi, to lose its benefits. So, that has also to be considered.

Also, there is no clarity on taxation on work contracts, software and intangible things. That also needs certain clarification.

GST is believed to ensure a unified market. But by excluding these items, at least the alcohol and petroleum products, it does not ensure the unified market and it might lead to inflation.

Alcohol, which is a product for human consumption, is now being excluded from it. Alcohol has a plethora of taxes like Excise Duty, Sales Tax, Inter-State Export, import fee, production licence fee, bottling fee and many other taxes. I request the Government to consider it and bring alcohol into GST regime as early as possible.

By having duplicity in alcohol – one for industry purpose and the other for human consumption – you will have to face the problem of administrative complexities. For example, in hotels, the GST items and non-GST items are sold. Similarly, in departmental stores, the same problem would occur. Therefore, the administrative complexities should be avoided by bringing all the items into GST regime once the Government decides to implement it.

The next most important thing is the automatic compensation mechanism. What most of the States are observing is that the Central Government will compensate States for loss of revenue arising on account of implementation of the GST for a period up to five years. But what would happen after five years? The hon. Deputy-Speaker has earlier mentioned that taxation is an unending process. Suppose, you compensate for the first five years, what would happen to the States, which are involved in automobile and other industries? They would be losing after five years. Therefore, to make it a harmonized structure and ensure a uniformed market, an automatic compensation mechanism should be evolved.

The other important issue is that the States should be given opportunity to have additional resources in case of natural calamities and disasters. For example, if there is a flood, the State should be able to raise revenue through the additional resources. So, this should also be considered.

Jammu and Kashmir and the Northeastern States are the Special Category States. The uniform taxation cannot be applied in these States. Therefore, at the time of implementation of GST, the concerns of these States may also be taken into consideration.

In my view, a proper monitoring and evaluation cell should be created as soon as possible to make the GST effective and to study its impact on GDP, inflation and other aspects of economy.

The Centre should also provide technical assistance to the States particularly for e-filing of tax returns. If the Centre is in a position to provide technical assistance to those States, which require technical support, it would be very, very effective and would make the system uniform in all the States. Moreover, the duality in system both at the Centre and in the States leads to multiplicity of authorities. So, this should also be addressed to.

At present, only the Centre and not the States can levy tax on manufacturing of goods. But by this amendment, it should not open a Pandora's box whereby the States on their own can, if not today but tomorrow, tax the services.

There are several States where several taxes exist like Excise Tax, Motor Vehicle Taxes, Passenger and Goods Tax, Stamp Duty, Registration, etc. Are you going to make it more harmonized and uniform market? Have the taxes being taxed by various States been taken into consideration where GST regime is being introduced?

With these points, I once again thank the Chair for giving me the opportunity and my Party also. Thank you.

SHRIMATI SUPRIYA SULE (BARAMATI): Thank you, Sir. I speak on behalf of my Party, today, on The Constitution (One Hundred Twenty-Second Amendment) Bill. I wholeheartedly support it because, fortunately, we have been a very progressive Party from an exceptionally progressive State.

GST is something that our State has been preparing for, and over the last 10 years, Maharashtra has been one of the most forthcoming and progressive States in all the various discussions that have taken place, which has got system, solutions, very keen on implementing the GST, and we have been consistent. ...(*Interruptions*)

SHRI N.K. PREMACHANDRAN (KOLLAM): Firstly, hear the second part of the speech also before applauding. ...(*Interruptions*) It is just like the speech of Mr. Veerappa Moily. ...(*Interruptions*) You have congratulated for the first part. ...(*Interruptions*)

17.16 hrs (Hon. Deputy-Speaker *in the Chair*)

SHRIMATI SUPRIYA SULE : So, while we all do have anxiety and a few questions because most States, including Tamil Nadu, has shown a lot of concern about the manufacturing States. We are also one of the manufacturing States and we also have concerns.

There have been a lot of miscommunications, maybe, in the media. So, I want to clear one thing right at the beginning. The last time, when the hon. Finance Minister introduced the Bill and wanted to pass it, all of us walked out purely on procedural grounds. I think that most of us felt unanimously that way only. I just want to clear it for record because a lot of newspapers have even declared that most of us were against GST. So, I want to clear this right at the beginning that we are not against GST. We are a pro-reform Party, and we only walked out on procedural grounds. We did not walk out against the Bill.

There are only a few clarifications that I will ask the hon. Finance Minister to make so that we feel reassured because this entire Bill is very Centre-oriented and it is a leap of faith. We are trusting the entire Central Government that they will hold to whatever they have committed to in various speeches. Right now, the administrative issues are still very vague. We do appreciate that we have only 11 months to go. It is a very ambitious plan. We have to make the Council; it has to go into the States; and States have to make their own rules. So, will this entire procedure ...(*Interruptions*)

HON. DEPUTY SPEAKER: No, no comments please. Let her speak. You can speak during the time allotted to you.

...(*Interruptions*)

SHRIMATI SUPRIYA SULE: I am showing our anxiety only for my State. Are we sure that in 11 months all States will be on par in an administrative matter of implementation? This is just our concern. Our State, fortunately, is prepared, but will all the States be able to make up in 11 months is a query in our mind.

A lot of people have talked about revenue-neutral rate, which is definitely a concern. We are all happy to pay taxes, but if they are going to be at a ridiculous rate of 27 per cent, which everybody is talking about and it is definitely a speculation. I would urge the hon. Minister to look for solutions, and if he can bring it down. We are not sure and we are speculating that it is going to be 27 per cent. If it is 27 per cent, then it is going to be high. If you really want to bring more people into the tax net, then it has to be a realistic number. So, I will urge the hon. Minister to look into it and see how he can bring it down to a realistic level where people are more than happy to pay the tax. ...(*Interruptions*)

HON. DEPUTY SPEAKER: Madam, please address the Chair. The Minister will reply to it. Do not worry.

...(*Interruptions*)

SHRIMATI SUPRIYA SULE : Another point, which is definitely a concern for us is this. What GST benchmark the Government going to look at? During the various discussions with the States, they are looking at companies over Rs. 25 lakh. Our State has recommended that even the companies between turnovers of Rs. 10 lakh and Rs. 15 lakh should be considered, and more so, given enough time to prepare. So, I would ask the hon. Minister to clarify this. What would be the benchmark of it?

Another query, which we are concerned about is dual authority. When there will be a gambit, there was a talk about Rs. 1.5 crore, but there is a benchmark and some States have said that up to Rs. 5 crore. So, turnover of how much will be there? We do not want people to be harassed. The

whole idea of making this seamless tax is to reduce paperwork and make it simpler. What is going to be the benchmark of dual taxation? My State has recommended anything above Rs. 2.5 crore. So, we would like the hon. Minister to clarify about it because we do not want dual authority. Let the States take a certain level, and above that let the Centre take over. But our State's recommendation should be respected, and that is all that we are urging for.

Another question is about resolving Inter-State issues. I do understand that the Council will be the final authority. But like Mahtab Ji has said, the way the voting pattern is looking – the ex-CM of Goa is sitting right here; he comes from a much smaller State next to where I come from; they have two MPs and we have 48 – probably, with the sheer numbers that our State will have, maybe, the smaller States may not benefit in the voting rights, if there is something particularly ...(*Interruptions*)

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): I represent Uttar Pradesh now.

SHRIMATI SUPRIYA SULE : Now, you represent UP, but your roots are still in Goa.

The whole point is about smaller States like Goa. Just because we come from a stronger State, we do not want to leave the other States behind. Our whole point is that in the voting rights, I think it should be a fair way. How to find a solution is up to the Government. It takes back to the point that this entire GST is a leap of faith. We are putting all our faith in the Central Government that they will give us a fair hearing and fair deal in this entire GST game. I just expect him to resolve Inter-State issues. Initially, there was a suggestion that there would be a separate redressal unit for it, which has now been removed, and all powers have been given to the Council. When you say 'the Council', in the Bill it is written that the Council will only make suggestions. So, who will be the final authority? Will it be the Finance Ministry, or will it be the Council and how do we get our fair rights? You may kindly clarify that.

Another biggest concern for all of us is that States like Maharashtra have Octroi. The revenue from Octroi is Rs. 14,000 crore, which we are compromising for this GST. So, I just want a reassurance because the hon. Finance Minister has consistently said that he would be doing the handholding. The commitment, your Party also said, is only for two years and it becomes lesser and lesser. We have no objection as long as the system works for all of us. As long as we are compensated, we are open to any formula because we want an easy tax regime. But it should not be at the cost of what our gains are right now with Octroi. So, I would ask the hon. Minister to clarify the stand with regard to Rs. 14,000 crore which Maharashtra today gets from Octroi will be definitely covered in this. I just need a reassurance from him.

The other big point is, I am very happy that Dr. Harsh Vardhan is also here, about the tobacco demand. Many people have requested that you can tax whatever you want on tobacco, but every State must have a right to increase whatever Excise, what they have in it because tobacco is something against which we are all fighting. It is not just about making money. It is for the generations to have good habits. It is something we are trying for consistently. I take this opportunity to request the hon. Finance Minister, who is here, to make sure that flexibility is left to us with regard to tobacco.

The last point is about petroleum. A lot of people have talked about petroleum. It is a big revenue generator right now. But there is no clarity till when it will be out. It is a big generator for us, like Octroi. We have our concerns. So, we would definitely like the entire Government to stay with us and not take away any of our revenue generators, which help the safety of our development programmes in our States.

In this Constitution (One Hundred and Twenty-second Amendment) Bill, amendment Nos. 73 and 74, if you see articles 243 (a) and 243 (x), it says that 'all the authority for the tax which is levied by the Panchayats and the Municipalities' takes us back to that other point which we are concerned about, which is about Octroi. It is conflicting. If our Municipalities and Panchayats in future are not going to be allowed, how will they be compensated is the only clarification I want.

We definitely support this Bill. We just want this entire Government to make sure that every State is protected and are taken care of, and the handholding which you have committed only for three to five years should be expanded to ten years. I think you already have an amendment like that. If you support that, I think all the States will benefit and more people will be probably proud to pay tax because we all want to live in a regime which does no harm to anybody, pay our taxes and live an easy life. I think that is what this entire Government keeps talking about, black money, etc. We support them in doing all this as long as all our States are protected and our rights are protected. Thank you.

श्री राजेन्द्र अग्रवाल (मेरठ): उपाध्यक्ष महोदय, आपने इस 122वें संविधान संशोधन पर वल रही अत्यंत महत्वपूर्ण बहस में भाग लेने का मुझे अवसर प्रदान किया है, इसके लिए मैं आपका धन्यवाद करता हूँ। इस बहस की शुरुआत आदर्शपूर्ण वीरप्पा मोडली जी ने की थी और तब से विभिन्न राजनीतिक दलों के अत्यंत विद्वान माननीय सदस्यों ने इस पर अपने विचार रखे हैं। एक बात सामान्यतः सभी ने कही है कि जीएसटी के इस बिल से किसी का विशेष नहीं है।

सभी यह मानते हैं कि जीएसटी लगने के बाद देश के अंदर एक सरल कयाधान की प्रणाली आएगी, जो ट्रान्स्पैरेंट भी होगी, उसके कारण से जीडीपी में भी वृद्धि होगी और देश की आर्थिक विकास दर को भी बढ़ावा मिलेगा। अधिकांश जो शंकाएं हैं, वे प्रदेशों की डिस्टेंडरी को ले कर हैं। मैं थोड़ा सा इतिहास में जाना चाहूंगा, हालांकि उसकी चर्चा अनेक बार स्वयं माननीय वित्त मंत्री जी ने की है, अनेक माननीय सदस्यों ने भी की है। पूर्व वित्त मंत्री आदर्शपूर्ण वीरप्पा मोडली जी ने इस बिल का सबसे पहले उल्लेख सन् 2006-07 में किया था। तब उन्होंने ऐसा भी कहा था कि सन् 2010 तक इस बिल को आ जाना चाहिए, परंतु यह नहीं हो सका। वया उनकी मजबूरी रही होगी, लेकिन मैं ऐसा समझता हूँ कि प्रदेश की सरकारों से जो असहयोग हुआ, उसका बहुत बड़ा कारण उस समय ही एक प्रकार का ट्रस्ट डेफिसिट केंद्र सरकार और प्रदेश सरकार के बीच में जो बन गया था, यह उसका बड़ा कारण रहा है। सीएसटी को कर्मजः हटाया जाना था। वैंत लाया जाना था। उसकी क्षतिपूर्ति केंद्र सरकार के द्वारा की जाने वाली थी। परंतु उनको पता है कि वह क्षतिपूर्ति नहीं की जा सकती और जिसके कारण एक अविश्वास पैदा हुआ और जो कर्मजः इस जीएसटी को लागू करने के कानून को लाने में भी बाधक बना। मैं आपके माध्यम से यह निवेदन करना चाहता हूँ कि इस सरकार ने उस ट्रस्ट डेफिसिट को पूरे तरीके से समाप्त करने का सफल प्रयास किया है और लगातार वह प्रयास कर रही है। पहले बजट भाषण के अंदर 11 हजार करोड़ रुपये का प्रावधान किया गया, जो प्रदेश सरकारों का बकाया था, वह सीएसटी के मद में उसको देने की घोषणा की गई। 15 हजार करोड़ रुपये और देने की घोषणा की गई। कुल मिला कर के 26 हजार करोड़ रुपये की व्यवस्था होने के बाद, कुल 34 हजार करोड़ रुपये जो बकाया है, उसकी क्षतिपूर्ति सरकार करने वाली है।

महोदय, इसमें से जो विश्वास का निर्माण हुआ है, यह विश्वास बहुत महत्वपूर्ण है। बिल के अंदर भी जो प्रावधान किए गए हैं, मैं समझता हूँ कि उससे प्रदेश सरकारों को किसी भी प्रकार की शंका की आवश्यकता नहीं है। जिस प्रकार से जीएसटी काउंसिल की रचना की गई है, जिस प्रकार से अगले पांच वर्षों के लिए जो संभावित क्षतिपूर्ति को पूरा करने का आश्वासन दिया गया है, वह तीन साल

तक सौ प्रतिशत है, चौथे साल में 75 प्रतिशत है और 5वें साल में 50 प्रतिशत है, जो मैन्युफैक्चरिंग स्टेट्स हैं, उनको उसमें एक प्रतिशत का अतिरिक्त कर लगाने की छूट दी गई है। ऐसे अनेक जो प्रावधान हैं, उनमें यह सुनिश्चित किया गया है कि प्रदेश सरकारों की जो शंका है, उसका कोई कारण नहीं है और जहां तक छोटे प्रदेशों की बात है, मैं ऐसा कह सकता हूँ कि छोटे प्रदेश भारत माता के छोटे बच्चों की तरह हैं, जो माँ को ज्यादा प्रिय होते हैं और यह सरकार निश्चित ही उन बच्चों का अधिक ध्यान रखेगी, उनको किसी भी प्रकार की शंका करने की जरूरत नहीं है।

उपाध्यक्ष महोदय, जो ट्रस्ट डेफिसिट प्रदेश और केंद्र सरकार के बीच में था, वह टैक्सेशन का जो सिस्टम इस समय है, उसके कारण से आम जनता, आम नागरिक और सरकार के बीच में भी है। हम बड़े विज्ञापन तो देते हैं कि आप टैक्स दीजिए, टैक्स देने का यह लाभ होगा, उससे प्रगति के काम चलेंगे, विकास के काम चलेंगे। हम कई बार उनको टैक्स न देने के नुकसान भी बताते हैं, उनको कानून का भय भी बताते हैं। परंतु टैक्स देने के योग्य, उनका मन बने, इस प्रकार का वातावरण देश के अंदर नहीं है। आज की तारीख में 16 के लगभग टैक्स लगते हैं, प्रत्येक छोटे-बड़े उद्यमी को, छोटे-बड़े करोबारी को एक वकील और एक डॉक्टर परमानेंटली अपने यहां रखना पड़ता है। किस प्रकार से कहां वह फंस जाए, किस प्रकार से कहां उससे भूल हो जाए, किस प्रकार से वह सिस्टम का शिकार हो जाए, क्योंकि टैक्स की प्रक्रिया इतनी जटिल है कि उसको टैक्स इज़ टैरर कहा जाता है। यह जो शब्द है, मैं इस बात को जानता हूँ कि टैक्स से टैरर का निर्माण होता है। यदि मैं गलत शब्द कहूँ, थोड़ा भारी शब्द है कि टैक्सपेयर का एक्सटॉरशन किया जाता है। उससे मुक्ति मिलेगी। यह जो परस्पर आविश्वास का वातावरण है, यह जो ट्रस्ट डेफिसिट है, यह समाप्त होगा। विश्वास के वातावरण का निर्माण होगा। मैं समझता हूँ कि जीएसटी के इस बिल से जो वातावरण बनेगा, उसमें स्वयं करके लोग भागीदार होंगे और टैक्स को अदा करेंगे, टैक्स का दायरा बढ़ेगा, टैक्स की कलेक्शन भी बढ़ेगी।

महोदय, इस समय देश की वया स्थिति है, सबने खूब प्रयास किए हैं, मैं उस पर कोई टिप्पणी नहीं करना चाहता हूँ। आज भी देश की 40 प्रतिशत जनसंख्या गरीबी की रेखा से नीचे है, दस करोड़ बेरोजगार हैं, हमारे पास संसाधनों की कमी है। मैं कोई अर्थशास्त्र का जानकार व्यक्ति नहीं हूँ, लेकिन दो छोटे-छोटे आँकड़े हैं, मैंने पहले भी उसका उल्लेख किया, हमारी कुल कलेक्शन सवा बारह लाख करोड़ की है, जिसमें से सवा चार लाख करोड़ हम कर्ज के ब्याज के भुगतान में खर्च कर देते हैं। आठ लाख करोड़ के अंदर हमें सारे कारोबार चलाने हैं, सारे मंत्रालयों का खर्च चलाना है, सारे देश को चलाना है। अभी 6 मंत्रालयों की अनुदान माँगों पर बहस हुई। प्रत्येक मंत्रालय की माँगों पर बहस होते समय अधिकांश माननीय सांसदों ने कहा कि पैसा बढ़ाया जाना चाहिए। यदि सभी मंत्रालयों पर वर्दा होती तो निश्चित रूप से दोगुने बजट की आवश्यकता होती। दोगुना बजट कैसे आएगा? आठ लाख करोड़ जो हमें उपलब्ध है, ये 16 लाख करोड़ या 20 लाख करोड़ कैसे बनेंगे? उसके लिए निश्चित रूप से एक आर्थिक विश्वास का वातावरण बनाना पड़ेगा। एनडीए की सरकार उसी प्रकार के सब तरफ से कार्यक्रम चला रही है। उसी प्रकार से ऐसा वातावरण बनाने का प्रयास कर रही है कि लोग अपनी भागीदारी देकर अपने श्रम का भी उपयोग करें, जो संसाधन हैं, उनका भी उपयोग करें और देश को समृद्धि की ओर ले जाएं। जीएसटी का जो नया कानून आने वाला है, यह इसी एप्टि से उपयोगी है। मैं समझता हूँ कि इस कानून को इस प्रकार से लाया जाए कि अगले वर्ष यह लागू हो सके और इसे पास किया जाए।

श्री प्रेम सिंह चन्दमाजरा (आनंदपुर साहिब) : महोदय, संविधान (एक सौ बाईसवां संशोधन) विधेयक, 2014 जो जीएसटी के लिए है, मैं अपनी पार्टी शिरोमणि अकाली दल की ओर से उसके ऊपर बोलने के लिए खड़ा हुआ हूँ।

मैं समझता हूँ कि कल्याणकारी सरकार का जो लक्ष्य होता है, उनके वित्त मंत्री का लक्ष्य पैसे इकट्ठा करना नहीं होता है, उस सरकार का लक्ष्य लोगों को सुविधाएं देना होता है और लोगों को सुविधा देने की बात होती है। मैं आज की सरकार को बधाई देना चाहता हूँ कि जो देश में बहुत ही सख्त कर प्रणाली थी, हैवी टैक्सेज की प्रणाली थी, जो पूंजी निवेशक था, वह डरता था, उससे चोरी भी होती थी, करपशन भी होता था।

मैं वित्त मंत्री जी को बधाई देना चाहता हूँ कि जो जीएसटी आया है, इससे चीजें सरल भी होंगी, सरली भी होंगी और बहुत सारे प्रदेशों की जो हठे हैं, मेरी कांस्टीट्यूएंसी हिमाचल के साथ भी जुड़ती है, हरियाणा के साथ भी जुड़ती है, हम देखते हैं कि टैक्स चोरी करने के लिए बहुत सारे लोग नए रास्ते ढूँढते हैं, नए बाई-पास ढूँढते हैं और चोरी होती है, करपशन होता है। इससे सब कुछ रूक जाएगा और एकसारता होगी, यह अच्छी बात है। मैं अपनी पार्टी की ओर से अपने माननीय वित्त मंत्री जी को कुछ सुझाव भी देना चाहता हूँ और हमारी कुछ शंकाएं भी हैं। शंकाएं इसलिए हैं, आजाद भारत में आज तक पंजाब जैसे प्रदेशों के साथ बहुत डिसक्रिमिनेशन हुआ।

महोदय, पिछली डॉ. मनमोहन सिंह जी की सरकार ने एक बार किसानों का 70 हजार करोड़ रूपए का कर्ज माफ किया। यदि आँकड़े देखे जाते तो प्रति फार्मर, प्रति फेमिली, प्रति हाउस, प्रति एकड़ सबसे ज्यादा कर्जदार पंजाब का किसान है, किन्तु पंजाब का कर्जा सबसे कम माफ किया। उसमें एक वर्तोज डाल दी कि जो डिफाल्टर होगा, उसका कर्ज माफ होगा। पंजाब के लोग कर्जा उतारने के लिए कर्जा ले लेते हैं। हमारे प्रदेश ने पीछे आतंकवाद के समय बहुत लड़ाई लड़ी, लेकिन उसे देश की लड़ाई कहा गया किन्तु साय खर्चा पंजाब के सिर डाल दिया। इसलिए पिछले समय में जो डिसक्रिमिनेशन हुए, धन के बंटवारे में, उसके कारण हमें यह शंका है कि धन इकट्ठा होगा और बाँटने के समय जैसे पहले होता रहा, अब भी वैसा ही न हो जाए, मेरे दो सुझाव हैं। हमारा स्टेट पंजाब मैन्युफैक्चरिंग स्टेट नहीं है। मैन्युफैक्चरिंग स्टेट्स को एक परसेंट कर एडीशन में लगाने की व्यवस्था कर दी। हम या तो अनाज पैदा करते हैं या मैन्युफैक्चर्ड गुड्स को कंज्यूम करते हैं। इसलिए मेरा माननीय वित्त मंत्री जी से निवेदन है कि क्योंकि हमारे यहाँ माइन्स एंड मिनिस्ट्रल्स नहीं हैं, हमारे पास इंडस्ट्री नहीं है, हमारी कर प्रणाली ही रैवेन्यू जनरेशन का एक सोर्स है। हमने फूडग्रेन पर पर्वेज टैक्स लगाया है, हमने फूडग्रेन पर सैस लगाया है, पर्वेज टैक्स से 1700 करोड़ और फूड सैस से 1000 करोड़, और एक जो आर.डी.एफ. लगाया है, उससे 743 करोड़ मार्केट फीस आती है। उसको हम गांवों के डेवलपमेंट के लिए यूज करते हैं। ऐसे ही हमने चुंगी हटा दी, एंटी टैक्स लगा दिया। उसका भी हमें 2547 करोड़ रुपये आता है। यह 7000 करोड़ रुपये कंपनसेट करने के लिए जो 122 अर्मेंडमेंट की वलाज़ 19 हैं, इसमें व्यवस्था की है कंपनसेट करने के लिए सेंटर की ओर से। मुझे एक शंका है जिसे माननीय वित्त मंत्री जी दूर करें। इसमें इन्होंने कहा है कि Central Govt. may compensate. मैं चाहता हूँ कि इसमें अर्मेंडमेंट करके Shall compensate होना चाहिए। सैन्ट्रल गवर्नमेंट की ओर से मॅडेटरी होना चाहिए। यदि फिर हमारी शंका रहेगी तो उस बारे में बताएँ।

दूसरा मैं चाहता हूँ कि जो टैक्स कलेक्शन के लिए इन्होंने पाँच साल रखा है कंपनसेट करने के लिए, मैं समझता हूँ कि यह बहुत थोड़ा समय है। इन्होंने बात तो अच्छी की है, सब प्रदेशों के वित्त मंत्री बुलाए, मुख्य मंत्री बुलाए, उन्होंने भी सुझाव दिए, हमारी सरकार ने भी सुझाव दिया। हमारा कहना है कि पाँच वर्ष की जो सीमा तय की है, उसको 15 वर्ष किया जाए या कम से कम 10 वर्ष किया जाए तो अच्छी बात होगी। नहीं तो कम से कम जो फूडग्रेन सेंटर के पास जाता है, उस पर टैक्स लगाने की व्यवस्था कर दी जाए स्टेट सब्जेक्ट में, यह मैं आपसे निवेदन करना चाहता हूँ।

मैं एक निवेदन और करना चाहता हूँ। हमारे पड़ोस में हिल स्टेट्स हैं। हिमाचल भी है, उत्तराखंड भी है। हमारी इंडस्ट्रीज़ वहाँ चली गई क्योंकि उनको स्पेशल इंसेंटिव्स दिए गए। यह जो जी.एस.टी. काउंसिल बनी है, इसमें भी इन्होंने स्पेशल प्रोविजन दिया है और स्पेशल प्रोविज़न में हिमाचल को भी रखा गया और उत्तराखंड को भी रखा गया है। अच्छी बात है, मैं इसको सपोर्ट करता हूँ। मैं निवेदन करूँगा कि इसमें पंजाब को भी रखा लीजिए, क्योंकि पंजाब एक सहर्दी सूबा है और पंजाब का 40 परसेंट हिस्सा - आनन्दपुर साहिब, दोशियापुर और गुरुदासपुर - ये तीन कांस्टीट्यूएंसीज़ ऐसी हैं जहाँ का साठ परसेंट हिस्सा हिल स्टेट्स के साथ है। कंडी एरिया है, बीट एरिया है, वंगर एरिया है। इसलिए स्पेशल प्रोविज़न की व्यवस्था इसके लिए भी दे दें तो मैं समझता हूँ कि बहुत अच्छी बात होगी। मेरे ये दो सुझाव हैं। इसके साथ ही मैं जी.एस.टी. का सपोर्ट करता हूँ।

SHRI JOSE K. MANI (KOTTAYAM): Mr. Deputy-Speaker, Sir, Goods and Services Tax is a welcome move. India is at an economically growing stage and it is very important to sustain and fuel this growth. India is also becoming an important destination for foreign investment and more and more global companies are eyeing a share of Indian economy. It has become necessary that taxation method facilitates ease of doing business for local as well as international companies wishing to do business in India across the various States.

Since GST is a destination tax it will be beneficial for the many consumer States. There are concerns for the manufacturing States for fear of losing out on revenue because of the new tax regime.

Their fears are well-founded and they must be very adequately compensated to meet the revenue forgone. However, for this purpose the mechanism proposed by the Government to levy additional 1 per cent tax on inter-State supply of goods in a way defeats the very purpose of GST. The 1 per cent additional tax retains the characteristic of original CST thereby hampering the business, efficiency and free cross-border movement of goods. For example, if goods travel from raw stage to finished product through three different stages in Delhi NCR, that would make extra 3 per cent charge on the end product. Therefore, I believe the clause 18 should be deleted from the Bill, especially since clause 19 talks about the compensation to the States on account of revenue losses.

If the GST is to be implemented in true spirit, all the additional taxes like Mandi tax and the R&D tax which are kept out of the purview of the GST have to be subsumed in the GST. The GST is founded on the basis of transparency and avoiding double taxation. Hence GST rates which were decided need to be lower and the tax burden on the people must be reduced. If the GST rates are higher than the amount of cumulative taxes that a consumer pays currently, then the point of GST would be redundant. A high GST rate will hamper the growth and make India an unattractive destination for investment and business.

Real estate has been kept out of the GST. The Government should make it clear as to why it has chosen to do so as many experts have predicted that it would be a big loss for the economy. I hope that the Government will keep in mind its agenda of Make In India and the need to boost exports before deciding the GST rates. The global average of GST or VAT is 16.4 per cent. The average rate in Asia Pacific is 9.88 per cent and in Canada and Nigeria, it is just 5 per cent. They are much lower than what India seems to be proposing. This would not be beneficial for Indian manufacturers and exporters as they will be directly competing against the countries which have lower tax rates compared to India.

Having said that, I believe that the GST will prove to be beneficial for the economic growth of our country. For this economic growth, I would like to extend my support for this Bill.

SHRI N.K. PREMACHANDRAN (KOLLAM): Hon. Deputy Speaker Sir, I fully support the Constitution Amendment Bill 2014 which enables to introduce the Goods and Service Tax in India but with certain observations or reservations in respect of the Constitutional propriety of the Bill about certain provisions.

The introduction of Value Addition Tax at the Centre and the States was one of the major improvements in post-Independence India. Now the GST will definitely bring structural reforms in respect of indirect tax system in our country and this will be a significant improvement towards comprehensive indirect tax reforms in India. Hence, I support this Bill.

What is the significance of the Goods and Service Tax Bill? Most of the eminent Members of the House have already stated in the House that it will definitely boost the economic growth of our country. Even the National Council of Applied Economic Research recently conducted a study and found that 1 to 2 per cent growth will be there if all goods and services are being involved in GST. Further, we all know that customers and traders are all being burdened with so many taxes like sales tax, additional sales tax, excise duty, customs duty, octroi, entry tax, entertainment tax, luxury tax etc. So, definitely it is the need of the hour that there should be a uniform pattern of tax structure not only in indirect tax sector but in direct tax sector also. By this amendment Act, the major Central and State taxes will be subsumed in GST.

In my opinion, GST is not simply a VAT plus service tax but it is an improved form of the existing system of VAT plus a disjointed service tax. So, when this GST will come we will have Central GST, State GST and an integrated GST. That is my feeling in this respect.

Since I am not an expert on tax issues, I would like to seek certain clarifications from the hon. Finance Minister. I feel, this is a destination based tax. All State GSTs on the final products accrue to the consuming States. So, most of the consuming States will be benefited. Definitely the State of Kerala will also be benefited as it is a consuming State. So, we wholeheartedly support GST.

The first clarification I would like to have from the hon. Minister is regarding alcohol and petrol. The long pending demand of almost all the States is that alcohol and petrol should be exempted from the imposition of GST. That was the demand till the 73rd Report of the Parliamentary Standing Committee. The position was accepted by the Standing Committee also. But the 73rd Committee Report stated that no goods should be constitutionally kept outside the purview of GST. I do agree with the Report but at the same time the Report did not go to the extent of saying that alcohol and petrol should be subsumed under GST. The Report has not said that it should be subsumed under the GST but it has indirectly stated that almost all the goods should come within the purview of the GST. Further, the Report says:

"In any case, the proposed provision inserting Article 279A in the Constitution empowers the GST Council vide clauses 4 (a) and (b) to make recommendations on subsuming or exempting or excluding certain goods and services from the purview of GST."

This means, subsumation into GST, exempting from the purview of GST and exclusion from the GST are applicable or can happen according to the advice of the GST Council. But I feel the Union Government has taken a strong stand that petrol should be subsumed into GST on a date which is being specified by the Council or the date which is being fixed by the Council. So, my submission is that the argument or reasoning advanced by the Government of India is only from the point of view of the industries and there is no logical explanation to it. So, the revenue concerns of the States have not been taken into consideration in respect of petrol.

I do admit and I appreciate the fact that alcohol is exempted. Similarly, petrol has to be exempted from the purview of GST. That is my submission I would like to make. However, the Government of India is being strengthened further. These are my doubts and apprehensions.

The Union Government can levy customs duty and excise duty; even Central GST and Integrated GST could be imposed by the Union Government. However, the interpretation with respect to the petroleum products refers to the word, 'State'. So, I would like to know whether in industrial trade or

commerce levies will be destination or origin based.

The third clarification I want to seek is regarding the place of supply. By virtue of clause 4 (c), it is seen that the place of supply will be determined on the basis of the recommendation of the GST Council. The determination of place of supply, transaction and taxation is of consequence only to the States but there also the role of the Union Government is very much there with a weight of one-third of the Council. Therefore, here also the Union Government's interest will be protected.

Coming to the role of the Finance Commission, we are already having a constitutional mechanism in which taxes and duties are devolved to the States. In respect of IGST sharing of taxes, the Union Government has to enact legislation. It is definite that if the Union Government is making a law, it will be in the interest of the Union. Therefore my submission is this. I urge upon the Government for devolution of net proceeds of Integrated GST also to be done through the Finance Commission, not by legislation by the Union Government.

I would like to make some very-very valid points with regard to the Bill. Article 246(a) empowers the Parliament and the State Legislatures to enact law in respect of GST but as per Clause 249(a) only the Parliament has power to make law in respect of GST in case of industry, trade or commerce. Actually, the Union is becoming more powerful. I would like to draw the attention of the hon. Minister to Clause 4 and Clause 5 to amend Article 249 and Article 250. I would like to know the necessity of amending Article 249 and Article 250.

As far as Article 249 is concerned, if two-third of the Council of States passes a resolution, definitely the Parliament has a right to legislate on any State subject. As per Article 250 also, if emergency is proclaimed the Parliament has a right to legislate on State subjects. Even Article 246(a) is independent and by that Article alone the Parliament has a right to legislate on goods, service tax. What is the necessity of having those amendments?

Finally, I would like to know about Clauses 18, 19 and 20. Clause 18 is in respect of imposing one per cent additional tax in respect of industry, trade or commerce. Clause 19 is in respect of compensation to the States. So, where is the amendment? It is not amending any of the provisions of the Constitution. How will it make any effect? In all other amendments, particular provision of the Constitution is amended but so far as Clauses 18 and 19 are concerned - Clause 20 is a transitional provision, Clause 21 I had highlighted this morning - what would be the constitutional impact of these provisions for which I have moved notices for amendment? This is only to help the Government and also to seek clarifications. It is not the politics of obstructionism but the politics of creativism and positivism. With these words I conclude. Thank you very much.

श्री. रमेश पोखरियाल निशंक (हरिद्वार): उपाध्यक्ष जी, मैं संविधान के 122वें संशोधन विधेयक के समर्थन में बोलने के लिए खड़ा हूँ। आज का यह क्षण ऐतिहासिक क्षण है। आज का दिन स्वर्णिम अक्षरों में लिखा जाने वाला है, क्योंकि आज वस्तु और सेवाकर, जीएसटी को लागू करने की प्रतिबद्धता, दृढ़संकल्प, देश के प्रत्येक नागरिक को आर्थिक स्वतंत्रता प्रदान करने की दिशा में मील का पत्थर साबित हो रहा है। यह कदम जहाँ हमारी संविधान की मूल भावना को परिलक्षित करता है, वहीं केन्द्र और राज्य दोनों के कर प्रशासन को पारदर्शी और सुप्रभावी बनाने के साथ उच्च राज्य संग्रहण कर देश में एक नया इतिहास रचेंगा। यह क्षण, यह संशोधन इस दशक का सबसे महत्वपूर्ण, क्रांतिकारी, सुधारवादी और ऐतिहासिक कदम है।

उपाध्यक्ष जी, मैं यह समझता हूँ कि आदर्शपूर्ण वित्त मंत्री श्री अरुण जेटली जी के नेतृत्व में पिछले दस महीनों में हमारी सरकार ने अर्थव्यवस्था में व्यापक सुधार किए और जिस तरीके से कुछ महीनों में व्यापक सुधारवादी कदम उठाए, उससे आम नागरिक का विश्वास बढ़ा है। वैश्विक मंदी के वातावरण में पूरी दुनिया में जहाँ एक अंधेरा छा रहा था, वहाँ भारत एक आशा की किरण के रूप में खड़ा दिखाता नजर आ रहा है।

मैं भारत रत्न अटल बिहारी वाजपेयी जी को स्मरण करता हूँ कि जीएसटी की परिकल्पना वर्ष 2003 में अटल बिहारी वाजपेयी जी ने की थी। तब उनके मन में आया था कि देश की आर्थिक मजबूती जरूरी है। इसलिए वर्ष 2003 में उन्होंने इसके लिए केलकर समिति का गठन किया था। उस समिति में केलकर जी ने कहा था कि एकिकृत टैक्स प्रणाली बहुत जरूरी है, इससे दुनिया के सबसे खराब कर ढांचे में एक भारतीय कर ढांचे को विश्व का एक बेहतरीन ढांचा बनाया जाएगा। यह दुनिया का सबसे खराब कर ढांचा था। उन्होंने कहा कि एकिकृत होगा तो दुनिया का सबसे बेहतरीन कर ढांचा हो जाएगा। आज उसकी शुरुआत आदर्शपूर्ण वित्त मंत्री अरुण जेटली जी के नेतृत्व में हो रही है। मैं कहना चाहता हूँ कि वर्ष 2006-07 में बजट भाषण में तत्कालीन वित्त मंत्री जी ने कहा। वर्ष 2008 में इम्पावर्ड कमेटी की बैठक हुई। मैं उतराखंड के वित्तमंत्री के रूप में लगातार उन इम्पावर्ड कमेटी की बैठकों में उपस्थित रहा हूँ। उसके बाद उतराखंड के मुख्यमंत्री के रूप में भी मैं वित्त विभाग को देख रहा था तो भी मैंने लगातार उन इम्पावर्ड कमेटी की बैठकों में हिस्सा लेकर, चर्चा की। जब वैंट लागू हो रहा था, तब हम भी शामिल थे। मैं भरोसे, उदाहरण और प्रमाण के साथ कह सकता हूँ कि जब वैंट को लेकर तमाम राज्यों के लोग विरोध कर रहे थे तो मैं भी वित्त मंत्री के रूप में उसका विरोध कर रहा था, लेकिन केन्द्र सरकार की इस आस्था के बाद कि क्षति-पूर्ति हम देंगे, आप उसे लागू करिए तो हमने उसको लागू किया। वैंट लागू होने से कर राज्य में डेढ़ गुना की वृद्धि हुई। मैंने मोदली जी की बातों को गौर से सुना है और अन्य माननीय सदस्यों के विचारों को भी सुना है, मैं उसकी तकनीकी कमियों की ओर नहीं जाना चाहता हूँ, लेकिन मुझे पूरा भरोसा है कि जिस दिन जी.एस.टी. लागू हो जायेगा, उस दिन दुनिया के इतिहास में भारत एक क्रांतिकारी परिवर्तन की ओर आगे बढ़ेगा।

मैं सोचता हूँ कि देश के इतिहास में स्वाधीनता के बाद सर्वाधिक चर्चा इस बिल पर हुई है, वर्ष 2003 से लेकर 2004, 2005, 2006, 2007, 2008, 2009 और वर्ष 2010, वर्ष 2010 में तो इसे लागू करने की ही बात हो रही थी। वर्ष 2011, 2012 और 2013 में इस पर चर्चा हुई। वर्ष 2013 में यह बिल लोक सभा में इसलिए व्यपगत हो गया क्योंकि लोक सभा भंग हो गयी थी। लेकिन, आदर्शपूर्ण वित्त मंत्री अरुण जेटली जी की कमेटी हो या वह उप-समिति की कमेटी हो, तीन कमेटियाँ और बनीं। मैंने विभिन्न कमेटियों की संस्तुतियों के एक-एक शब्द को पढ़ा है। मैं यह कह सकता हूँ कि उन कमेटियों की सारी रिपोर्ट्स अधिकांशतः इसमें समाहित हैं।

मैं यह कहना चाहता हूँ कि जी.एस.टी. के जो कर संग्रहण हैं, इसमें राज्यों में इनपुट टैक्स क्रेडिट के कारण बहुत बेहतर समन्वय होगा। निश्चित रूप में कर पर कर लगने से महंगाई बढ़ती है, वह नीचे आयेगी और हम इस दिशा में लगातार आगे बढ़ेंगे। ... (व्यवधान)

मैं यह समझता हूँ कि जहाँ एकल बाजार व्यवस्था निश्चित होगी, वहाँ निश्चित रूप में जवाबदेही निगारणी बढ़ेगी और काले धन पर लगाम लगेगी। देश के इतिहास में यह पहली बार हो रहा है कि एकल बाजार की व्यवस्था होगी, टैक्सों का सरलीकरण होगा। सबसे बड़ी बात यह है कि सूचना प्रौद्योगिकी का इसमें इस्तेमाल होगा, उससे पूरे उद्योग जगत में न केवल कर चोरी रूकेगी बल्कि कर संग्रहण में कई गुना वृद्धि होगी। कच्चे माल को लेकर उत्पादित पदार्थों की सारी प्रक्रिया कंप्यूटर में दर्ज होने से, इंस्पेक्टर राज भी टोटली खत्म हो जायेगा। इसलिए मैं सोचता हूँ कि हमें वैश्विक प्रतिस्पर्धा के मुकामों में भी काफी तेजी से आगे आना चाहिए। कारोबारी, निर्माता, उपभोक्ता, राज्य सरकार या केन्द्र सरकार हो, सभी बेशुमार लाभ होगा, इससे अप्रत्यक्ष करों का सरलीकरण होगा, एकिकृत टैक्स प्रणाली का पूरे देश में एकत्व होगा, उत्पाद और सेवा कर सरते होंगे। जितने भी सेन्ट्रल एवसाइज ड्यूटीज हैं, तमाम ऐसे कर हैं जिनकी मार राज्यों पर भी पड़ती है, आम कर दाता परेशान रहता है। जी.एस.टी. लागू होने से निश्चित रूप में हमारे प्रधानमंत्री श्री नरेन्द्र मोदी जी का जो समूह भारत और श्रेष्ठ भारत, मेक इन इंडिया, रिक्ल इंडिया, डिजिटल इंडिया, स्वच्छ भारत और स्वस्थ भारत का जो सपना है, उन मिशनों को भी बल मिलेगा। निश्चित रूप में सरकार के टैक्स में बढ़ोतरी होगी। इससे दो प्रतिशत तक जी.डी.पी. बढ़ने की गुंजाइश है। टैक्स के कारण समन्वय बेहतर होगा। एकिकृत प्रणाली से टैक्स की जटिलता समाप्त होगी। एकल अबाधित बाजार से जी.एस.टी. और प्रवेश कर से मुक्ति मिल रही है। समूची प्रक्रिया ऑनलाइन होने से झंझटें से भी मुक्ति मिल रही है, विवाद समाप्त होंगे, केन्द्र का भी भारी-भरकम उत्पाद शुल्क समाप्त हो जायेगा। हम आर्थिक जगत के रूप में आगे बढ़ेंगे। मैं यह भी कहना चाहता हूँ कि हम दुनिया में बहुत आगे निकल जायेंगे।

18.00 hrs.

पहले यह सोचना भी स्वप्न सा लगता था कि क्या हम कभी चीन से आगे निकल पाएंगे। अंतर्राष्ट्रीय संगठनों ने सभी वर्षों में भारतीय अर्थव्यवस्था को विश्व की सबसे तेज विकास दर वाली अर्थव्यवस्था बनाया। हम भरोसा कर सकते हैं कि आने वाले वर्षों में हमारी विकास दर दो अंकों को पार करेगी। इसलिए मैं वित्त मंत्री जी को बहुत सारी बधाई देना चाहता हूँ। विदेशी निवेश निश्चित रूप में बढ़ेगा क्योंकि आज लगभग डेढ़ सौ देशों में जीएसटी है। हमारी कर पूर्णाली सरल न होने के कारण निवेशक अन्य देशों जैसे चीन, थाइलैंड, वियतनाम में जाते थे।

मैं अंत में कहना चाहता हूँ कि जो सारी शंकाएँ हैं, काउंसिल इसीलिए बनाई गई है और प्रतिनिधित्व में 66 प्रतिशत राज्यों का हिस्सा है। काउंसिल सारी चीजों को करेगी। क्षतिपूर्ति के लिए वित्त मंत्री जी ने पहले ही कहा है और लगभग 34 हजार करोड़ रुपये का प्रावधान किया है। इसलिए काउंसिल सारी समस्याओं का समाधान करेगी। मैं इतना निवेदन जरूर करना चाहता हूँ कि जो सीमावर्ती क्षेत्र हैं, उन पर जरूर निगरानी रखी जाए। धन्यवाद।

HON. DEPUTY-SPEAKER: Now, it is six o'clock. If the House agrees, then we can extend it by one more hour. There are three more Members to speak on this Bill and then we will take up the 'Zero Hour'. The reply to this debate will be tomorrow after the Question Hour. That is what has been decided.

SEVERAL HON. MEMBERS: Sir, yes.

HON. DEPUTY-SPEAKER: Now, Shri C.N.Jayadevan.

SHRI C.N. JAYADEVAN (THRISUR): Sir, thank you for giving me this opportunity to speak on this Constitution One Hundred Twenty-second Amendment Bill, 2014. It is meant to create an integrated market for goods and services. While going through the various provisions of the Bill and also the various comments in the newspapers, I felt that the hon. Finance Minister should clarify two things in the Bill.

Firstly, the success of the GST system is largely dependent on the width of its coverage. But the proposed GST regime has excluded many items such as potable alcohol, tobacco and petroleum products which account for a large chunk of indirect tax base in the country. Why has it been done so?

Secondly, the one per cent extra levy has been proposed to be charged when goods move from one State to another. Every time goods move from one State to another and the tax will go on increasing, it will have a cascading effect on the cost in the supply chain. Moreover, the importers would get a fillip as they would not be subjected to the additional tax. Would it not be a blot on the Government of India's 'Make in India' programme?

Sir, I have given three amendments which are in the interest of the Union Territory of Puducherry. Though I am from Kerala, our Party, the Communist Party of India was in the forefront of the French India freedom movement which made Puducherry free from French colonial rule. Our Puducherry unit of the Party had studied the Bill and had given some suggestions. They are thankful about the fact that the Government has accepted their suggestion to insert a new article 366 (26b) in the definition clause for State which includes a Union Territory with Legislature with reference to article 246 (a), 268, 269 (a) and 279 (a). But it protects the interest of the people of Puducherry in part only. The provision of the current Bill does not pave way for devolution of Union revenue constitutionally under article 275 and 280, that is, through Central Finance Commission. So, my amendment is with regard to the inclusion of article 270, 275 and 280 in the definition of State for the purpose of devolution of revenue from Central pool.

Secondly, article 279 (a) clause 4 (g) provides for Goods and Services Council to make recommendations to the Union and the States on special provisions with respect to certain States. My amendment to this sub-clause (g) is to include Puducherry in the list of States and UTs. Except Assam and Jammu and Kashmir in the list, all others were erstwhile Union Territories along with Puducherry. The Legislature of Puducherry has been consistently demanding Statehood and special status for a long time. Hence, Puducherry should be included in the special provision States.

Thirdly, Section 18(2) of the Bill excludes Union Territory with Legislature from the share of one per cent additional tax on supply of goods for two years or such other period recommended by the GST Council. The Union Territory with Legislature of Puducherry is the only UT under Article 239A. Puducherry UT's revenue should be protected in the transition period from VAT regime to GST regime. The proceeds of one per cent additional tax on supply of goods, in the course of inter-State trade or commerce should be assigned to UTs with Legislature. Hence, my amendment to Section 18(2) to insert the words 'without Legislature' along with Union Territories.

I request the Minister to accept these amendments and I conclude while I support the Bill.

SHRI ADHIR RANJAN CHOWDHURY (BAHARAMPUR): Sir, I would like to add a few more lines to the ongoing discussion in respect of Goods and Services Tax under the nomenclature, the Constitution (One Hundred and Twenty Second Amendment) Bill, 2014.

Sir, it is a well known fact that GST is the brainchild of the UPA Government. Today, it is paradoxical to note that our hon. Finance Minister was beseeching the Opposition Parties for the support of this Bill. However, a few days earlier, during his intervention in this House, he had charged the UPA Government of resorting to tax terrorism. Now, may I ask the hon. Finance Minister whether he thinks that this piece of legislation is a part of tax terrorism? If not, he should first seek apology from the Opposition Parties before going anywhere else.

Sir, I know that I have paucity of time. Hence, I would like to draw the attention of the Finance Minister that one per cent additional tax has been granted for a period of two years with a view to placating the producing States and several States are still holding out for two per cent. There are two problems with the tax. Since the States are anyway to be compensated for their losses, there is really no rational explanation for why the one per cent tax had to be introduced.

Secondly, the tax may not end at the end of two years since the Bill says that the period can be extended by the GST Council. It has to be kept in mind by the Union Finance Minister.

Since the real benefits of the GST- the two per cent of GDP that the Finance Minister spoke of – will flow only once tax rates get lowered, the

presence of the one per cent tax will only add to the overall costs.

Looking at the way Section 18 of the Bill has been drafted, we find that one per cent tax is to apply to all supply of goods and not sales. In other words, if there are branch/stock transfers within a company across State boundaries, the tax will be applicable to this. Given the large number of inter-State transfers within firms, this could raise the tax level to as high as five per cent.

An equally big problem is relating to real estate. Since this has been kept out of the GST, this means that there will be input tax credit on items like cement and steel that are used in the construction sector. Given how construction capital expenditure is around 35-40 of all capital investment in the country, this is a very big area that is being kept out – in other words, like the input taxes in the petroleum sector that has also been kept out of the GST, this will also be un-rebated tax or a dead loss to the economy. Until all the economy is covered by the GST, and this will take years, the 2 per cent benefit being talked about is not going to materialise and the 1 per cent type taxes will only add to the delay. Therefore, our Party leader Shri Moily has suggested to this Government not to go in a tearing hurry only to appropriate credit of executing the GST in India. Shri Moily, a senior Member of Parliament, has suggested to our hon. Finance Minister that as some new provisions are added to this legislative document, it is better that it should be referred to the Standing Committee for a thorough scrutiny because heavens would not have fallen upon us if it is referred to the Standing Committee. I do not know why this Government is hell bent upon not sending the legislative document to the Standing Committee for the scrutiny. Really, I am getting flummoxed to notice it.

Sir, just listen to me. I will take only two more minutes. This BJP Government is now arguing for the GST. What was their role earlier? In the year 2006-07 Budget, Shri Chidambaram, the then Finance Minister, had announced that GST would be executed from the year 2010. At that time, who had raised objections? At that time, the Gujarat Chief Minister vehemently opposed the introduction of GST on the excuse that the country does not have the requisite network so as to facilitate this kind of tax regime. Therefore, I would like to remind this Government that Shri Modi said that insufficient computer network would be a roadblock to the implementation. It is interesting to note that there is still no provision for a comprehensive computer network!

The former Madhya Pradesh Finance Minister Shri Raghavji said that the States would suffer substantial, permanent loss at the estimated rate proposed in the UPA Bill. The Madhya Pradesh Government had earlier said that the Bill would cause fiscal imbalance between the States, control of several tiers of taxation, the stakes of which will pass on to the Centre. Today, with the BJP at the Centre, the tables have been turned!

I would like to share the concern of the State Governments because it needs to be focussed here in this discussion. So far as Telangana is concerned, their argument is this. The Telangana Finance Minister has told the Central Government that it must pay compensation to States for the abolition of Central Sales Tax before going ahead with the Goods and Services Tax.

Insofar as Odisha is concerned, the Odisha Government demanded the Centre to release the balance Central Sales Tax loss amount of Rs.3,255 crore before implementation of the proposed Goods and Services Tax in the country.

Insofar as Haryana and Punjab are concerned, Haryana and Punjab are opposed to the proposal to subsume purchase tax in GST, arguing that it will lead to revenue losses. Insofar as Maharashtra and Gujarat are concerned, they are for levying an additional tax on production beyond two years stipulated in the Constitution (Amendment) Bill. These States have also demanded that this tax be increased to two per cent. Insofar as Mizoram, Tamil Nadu and West Bengal are concerned, they demanded that they be allowed to levy higher taxes on tobacco and tobacco products similar to the Central Government, and that is what is stated in the Amendment Bill.

So far as your State, Tamil Nadu, is concerned, I am pleading for your State, it said that the Centre should evolve a consensus on various aspects of GST like taxes before pushing the Constitution (Amendment) Bill.

The BJP Government, both at the Centre and in States, had vehemently opposed the GST announced by the UPA Government and is now for its passage in this House. मैं कहना चाहता हूँ, कभी हाँ, कभी ना की सरकार का नाम एनडीए सरकार है।

श्री रत्न ताल कटारिया (अम्बाला) : माननीय उपाध्यक्ष जी, मैं माननीय वित्त मंत्री, श्री अरुण जेटली द्वारा लाए गए 122वें संविधान संशोधन का समर्थन करने के लिए खड़ा हुआ हूँ। मैं जेटली जी को बधाई देना चाहता हूँ कि वह 1947 के पश्चात एक क्रांतिकारी बिल लेकर आए हैं, जिसने 16 से भी अधिक भिन्न करों को एक माला में पिरो दिया और हिंदुस्तान के लिए एक गुलदस्ता तैयार किया। जब इसका फल हिंदुस्तान के आम आदमी को मिलना शुरू होगा तो भारत की अर्थव्यवस्था को एक परसेंट से लेकर दो परसेंट तक गति मिलेगी। भारत काले घन की समस्या से वर्षों से जूझ रहा है। पिछले दस वर्षों में भ्रष्टाचार के कारण देश की अर्थव्यवस्था को पॉलिसी पैलाइजिस ने डस लिया था, इस बिल के पास होने से अर्थव्यवस्था को गति मिलेगी।

माल और सेवाओं को लेकर जिस प्रकार का कानून आया है, इससे अनेक अप्रत्यक्ष करों के स्थान पर समान राष्ट्रीय बाजार आम जनता को उपलब्ध हो सकेगा। हालांकि पिछले दस वर्षों से इस बिल पर काफी मंथन हो रहा था, पहले भी बिल आया था लेकिन किन्हीं कारणों से पास नहीं हो सका। हमारी सरकार ने टढ़ निश्चय किया कि हर हालत में देश की अर्थव्यवस्था को आगे बढ़ाने के लिए इस बिल को सदन के सभी सदस्यों के साथ मिलकर पास करना है। इस तरह की व्यवस्था दुनिया के 150 देशों में पहले से ही चल रही है। उस व्यवस्था का अध्ययन करने के लिए देश के राज्यों के वित्त मंत्रियों की एक समिति आस्ट्रेलिया गई, बाजील गई और दूसरे देशों का भी दौरा किया और दुनिया के देशों में जो सर्वोत्तम पद्धतियां इस विषय पर चल रही हैं, उन सब पद्धतियों का अध्ययन करने के पश्चात ही आज यह बिल आया है। इस बिल से चाहे वह व्यापारी हो, चाहे कर्मचारी हो, चाहे सर्विस सैक्टर हो, देश की अर्थव्यवस्था को और उपभोक्ता को जी.एस.टी. व्यवस्था के लागू होने से फायदा होगा। इसके पास होने से हिंदुस्तान की कर प्रणाली में पारदर्शिता लाने के लिए यह मील का पत्थर साबित होगा।

माननीय उपाध्यक्ष जी, जी.एस.टी. के लागू होने से भारत की अर्थव्यवस्था को मोदी सरकार फिर से पंख लगाने में कामयाब होगी और हम जिस भारत को सोने की चिड़ियां पहले कड़ा करते थे, आज उसी दिशा में ये कदम उठ रहे हैं जिनका देश की 125 करोड़ जनता को लाभ मिलने वाला है।

माननीय उपाध्यक्ष जी, दिल्ली सरकार ने भी पहले माना था कि ये जो विभिन्न प्रकार की टैक्स प्रणालियां हैं, कई जगह पर जो टैक्स का तय करना पड़ता है, उसके कलैवजन में बहुत सी कठिनाइयां आती हैं और दिल्ली का आकलन तो यह था कि केवल एक तिहाई टैक्स ही एकत्रित हो पाता है तथा पूरा टैक्स एकत्रित न होने से काले घन की व्यवस्था पनपने लगती है। इसका समर्थन करने के लिए फिवकी ने भी इसको समर्थन दिया और अन्तर्राष्ट्रीय स्तर की कंसल्टेंसी की सलौनी राय जी ने भी इस पर अपना मत दिया कि इसके पास होने से देश की अर्थव्यवस्था में क्रांतिकारी परिवर्तन आएंगे। इसके साथ ही मैं इस बिल का समर्थन करता हूँ और आज मैं जेटली जी को भी बहुत बहुत बधाई देना चाहता हूँ कि उन्होंने देश की अर्थव्यवस्था में देश की 125 करोड़ जनता को इस बिल के माध्यम से फायदा पहुंचाने के लिए एक क्रांतिकारी कदम उठाया है। धन्यवाद।

HON. DEPUTY SPEAKER: Hon. Members, list of speakers on this Bill is exhausted. The reply of the Minister shall be tomorrow. After the Question

Hour, he will reply.

15.09 hrs.

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OBSERVATION BY THE CHAIR

Referring the Bill to Standing Committee