

Sixteenth Loksabha

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title: Discussion on motion to consider Statutory Resolution regarding Disapproval of Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017 and Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Bill, 2017 (Statutory Resolution-Withdrawn and Government Bill -Passed).

HON. DEPUTY SPEAKER: Now, item Nos. 21 and 22 shall be taken up together. Shri N.K. Premachandran.

SHRI N.K. PREMACHANDRAN (KOLLAM): Sir, I beg to move:

“That this House disapproves of the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017 (Ordinance No. 2 of 2017) promulgated by the President on 1st July, 2017”.

HON. DEPUTY SPEAKER: Hon. Minister.

THE MINISTER OF FINANCE, MINISTER OF CORPORATE AFFAIRS AND MINISTER OF DEFENCE (SHRI ARUN JAITLEY): I beg to move:

“That the Bill further to amend the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994, be taken into consideration.”

I will just explain that on account of the legislations passed in relation to the GST, the power to levy entertainment tax now vests in the GST Council itself. There is a residuary power which has empowered the local municipal corporations and local bodies to levy some entertainment tax additionally if they want.

In the case of Chandigarh, since it is a Union Territory, this power had conventionally belonged to the Central Government. Obviously, this power has to be denuded away from the Central Government

and given to the State Government. Therefore, the power has to be devolved to the Municipality of Chandigarh itself. So, a consequential amendment is there which this Bill seeks to propose. The reason for the urgency was since from the 1st of July it was coming into effect, since the Parliament was not in Session, and since these are consequential to the GST, the promulgation was made.

HON. DEPUTY SPEAKER: Shri Premachandran, it is a very small thing. You can very briefly make your point.

SHRI N.K. PREMACHANDRAN: Sir, my objection is on the principle of promulgation of Ordinance.

HON. DEPUTY SPEAKER: That has already been discussed.

SHRI N.K. PREMACHANDRAN: While I oppose the Ordinance, I fully support the contents of the Bill. Most of the times in this House itself, I have made many interventions during which I have stated that Article 123 (1) can be applied only on exceptional and extraordinary circumstances under exigency conditions. Unfortunately, since we know about this Bill, that is the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017, you may kindly see whether the promulgation of the Ordinance will come within the purview of Article 123 (1). That is the point which I would like to make before this august House.

During the last Session of Parliament, the Lok Sabha was adjourned *sine die* on the 12th April, 2017. During the Budget Session, this august House passed the Central GST Bill, the Integrated GST Bill, and the Union Territories GST Bill; the Compensation Bill was also passed in the last Budget Session. It was a legislative history because Parliament's productivity was more than 118 per cent when we passed all these Bills. My point is that we had very detailed deliberations on all these Bills.

So, my point is that the Government could have very well come up with this small piece of legislation during that Session. Instead of bringing the Bill during that Session, on 1st July, 2017 an Ordinance has been promulgated to give effect to this law. That is my objection and that is why I am saying that it is a law which is being made by the Executive and in principle I am opposing this Ordinance route of legislation.

As the hon. Minister has rightly stated, the Ordinance and now the Bill has been brought to make appropriate changes in the Punjab Municipal Corporation (Extension to Chandigarh) Act, 1994 as a consequential effect of the Constitution (One Hundred and First Amendment) Act, 2016. Sir, this

Constitution (One Hundred and First Amendment) Act, 2016 is the mother legislation of all the GST Bills and by virtue of this we have amended Entry 62, List 2 of the Schedule VII of the Constitution.

The new amendment is taxes on entertainments and amusements to the extent levied and collected by a panchayat, municipality, district council or regional council. So, this is a part of the consensus which we have arrived in the country. During the discussion on GST reforms a consensus was arrived at that entertainment tax and amusement tax should be levied by the municipality, panchayat or the corporation as the case may be. So, in order to make this uniform tax structure throughout the country, section 90 of the Punjab Municipal Corporation Act, 1994 has to be amended. By virtue of section 90, the Central Government may levy taxes on entertainment and amusement. In the case of Union Territories, the Union Territory of Chandigarh was levying tax on amusement and entertainment. In order to achieve this uniformity, this provision is being amended.

Another amendment with regard to the power to levy octroi and taxes on vehicles and animals has also been suggested. I fully support these two amendments but at the same time I would like to seek certain clarifications from the hon. Minister regarding this small piece of legislation.

The first one is with regard to the devolution of financial powers. Decentralisation of powers will definitely strengthen the democratic system. Local self-governed institutions are the potential medium for the successful working of democracy at the grassroots level and to meet the hopes and aspirations of the people. Sir, the municipalities and the panchayati raj institutions are the pillars and primary units of democracy. The more these pillars are strengthened, the stronger would be our democracy.

HON. DEPUTY SPEAKER: Please conclude now.

SHRI N.K. PREMACHANDRAN: I am concluding, Sir.

Sir, I am coming to the point. Sir, 73rd and 74th Constitution amendments were introduced and they have come into place.... (*Interruptions*) Sir, I am seeking the clarification. Since, 73rd and 74th amendments, many of the powers vested with State Governments have been transferred to the local self-Government institutions but none of the powers vested with the Central Government has been devolved to the State.

HON. DEPUTY SPEAKER: This is not to be discussed here.

SHRI N.K. PREMACHANDRAN: Sir, I am appreciating that the Central Government is transferring powers to the Chandigarh Municipal Council. My question to the hon. Minister is what about other municipalities and panchayati raj institutions in other Union Territories.

HON. DEPUTY SPEAKER: He cannot answer this question.

SHRI N.K. PREMACHANDRAN: What is the condition in the case of other Union Territories?

Sir, the Punjab Municipal Corporation (Extension to Chandigarh) Act, 1994 was amended in the year 2000. By virtue of this amendment the representative of the House of People will be an *ex officio* member in the Chandigarh Municipal Corporation. This amendment was carried out in the year 2000. But, unfortunately, if you go through the Statement of Objects and Reasons of the Bill, the amendment of 2000 has not been mentioned. It is the cardinal, basic principle of legislative drafting that subsequent amendments, which have taken place in the Bill, have to be mentioned in the Statement of Objects and Reasons. Unfortunately, that has not been mentioned in the Statement of Objects and Reasons of the Bill. That needs a clarification. It is not a good drafting.

Sir, the last point is regarding the GST. I fully agree with the point of arguments which the hon. Minister has made in all these two days. I would like to suggest one thing. Today, restaurants are on strike. The restaurant people are on the march in Delhi. My point is that in the case of AC restaurants, suppose I was paying Rs.100 before 1st July, now I have to pay Rs.118. These restaurants and traders are getting this benefit. The GST and VAT is zero per cent on vegetables and essential commodities. They are also getting the right of input credit. But they are taking Rs.118 per meal. Day before yesterday also the hon. Minister had well clarified, but my point is this. Advertisements and circulars of price should be given as to what is the right price. In Kerala, we are facing a lot of the same difficulty. The MRP should be publicised in the newspapers so that the exploitation of the traders can be avoided. With these words, I support the Bill. Thank you very much, Sir.

HON. DEPUTY SPEAKER: Motions moved:

“That this House disapproves of the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017 (Ordinance No. 2 of 2017) promulgated by the President on 1st July, 2017”.

“That the Bill further to amend the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994, be taken into consideration.”

श्री संतोख सिंह चौधरी (जालंधर) : उपाध्यक्ष महोदय, आपने मुझे पंजाब म्युनिसिपल कारपोरेशन लॉ (एक्सटेंशन टू चंडीगढ़) बिल, 2017 पर बोलने का मौका दिया, इसके लिए मैं आपको धन्यवाद देता हूँ। अभी-अभी ऑनरेबल फाइनेंस मिनिस्टर ने इस बिल के ऑब्जेक्ट के बारे में बताया कि the Central Government has implemented the Central Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax, 2017 with

effect from 1st July, 2017. Consequently, Section 19 of the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994 was amended by the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2019 to transfer power of the Central Government to levy taxes on entertainment, amusement and Union Territory of Chandigarh to the Municipal Corporation of Chandigarh. यह ठीक बात है। परंतु इसके साथ एक बड़ा सवाल खड़ा होता है कि as to what is GST. GST is to consolidate all indirect tax levies into a single tax. और जी.एस.टी. के पास होने पर बहुत बड़े-बड़े फंक्शंस हुए, इंडिपेंडेंस डे के साथ उसे कम्पेयर किया गया। उस वक्त जो सामने लोगो लगा होता है, उस पर भी लिखा हुआ था - वन नेशन वन टैक्स। अब यह सवाल खड़ा होता है कि ऐसे अमैंडमेन्ट्स के साथ if separate entertainment and amusement tax has to be levied by the Corporation, then how is this GST – One Nation, One Tax. यह देश के लोगों के मन में एक बहुत बड़ा सवाल है और जब से जी.एस.टी. लागू हुआ है, तब से सारे देश में एक बहुत बड़ा क्योस खड़ा हो गया है और चारों तरफ ट्रेडर्स, दुकानदार, इंडस्ट्रियलिस्ट्स, कंज्यूमर्स आदि सब लोग सड़कों पर आ गये हैं।

मैं यह भी कहना चाहूंगा कि जब जी.एस.टी. शुरू हुआ, तब यूपीए गवर्नमेंट थी, यह वर्ष 2006 से शुरू हुआ है। डिफरेंट-डिफरेंट स्टेजिज पर बहुत सारे ऐसे अरेंजमेंट्स हुए, कमेटीज बनीं, स्टैंडिंग कमेटीज बनीं और उनमें यह डिस्कस हुआ। लेकिन अब ऐसा महसूस हो रहा है कि मौजूदा गवर्नमेंट ने इसे बहुत जल्दी में शुरू करने की कोशिश की और उसके कारण एक बड़ा बवाल खड़ा हो गया है। जी.एस.टी. का कांसैट फॉरेन कंट्रीज से लिया गया है। लेकिन अगर फॉरेन कंट्रीज में देखा जाए तो जिन कंट्रीज ने इसे लागू किया है, वे स्टेट्स का और जो फ़ैडरल गवर्नमेंट हैं, उनका खजाने में रेवेन्यू का जो कंट्रीब्यूशन है, उन्होंने उसे देखकर एक डीप एक्सरसाइज करके इसको एक स्लैब में लागू किया है। परंतु अनफॉर्चुनेटली हम बार-बार कह रहे हैं कि वन नेशन वन टैक्स, लेकिन यह सरकार जो जी.एस.टी. लाई है, उसमें मल्टीपल टैक्सेज लगाये गये हैं। इसमें अलग-अलग दरें हैं, जैसे 5औ, 12औ, 18औ, और 22औ तो फिर वन-नेशन, वन-टैक्स का जो कॉन्सेप्ट है, उसका क्या बना? मैं समझता हूँ कि देश के सारे लोग यह महसूस कर रहे हैं कि उनके साथ धोखा हुआ है।

मैं खुद पंजाब से आता हूँ। मेरे प्रांत में और मेरे संसदीय क्षेत्र जालंधर में बहुत बड़ी-बड़ी इण्डस्ट्रीज़ हैं। जालंधर में हार्डवेयर की इण्डस्ट्री है, उस पर 28औ जीएसटी लगा दिया गया है। हैण्ड टूल्स पर 18औ लगा दिया गया है, जो छोटे कारीगर हैं, जो गरीब लोग हैं, वह उनके काम आता है। सीआई पाइप्स जो लोगों के घरों तक और खेतों में पानी पहुंचाने के लिए काम आता है, उस पर 18औ जीएसटी लगा दिया गया है। मैं समझता हूँ कि ऐसे ही स्पोर्ट्स इण्डस्ट्री है। पंजाब एक बहुत काले दौर से गुज़रा है, क्योंकि पंजाब की जो युवा पीढ़ी है, वह नशे की गिरफ्त में आ गई है। हम चाहते हैं कि पंजाब का जो नौजवान है, वह वापस मेन स्ट्रीम में आए और स्पोर्ट्स में उनकी रूचि हो। लेकिन दुख की बात है कि मेरे संसदीय क्षेत्र में स्पोर्ट्स इण्डस्ट्री है, दुनिया का कोई भी जो बड़े से बड़ा बल्लेबाज़ है, वह जालंधर की स्पोर्ट्स इण्डस्ट्री के बैट से खेलता है। जो बड़े से बड़ा फुटबॉल का खिलाड़ी है, वह जालंधर की स्पोर्ट्स इण्डस्ट्री के फुटबॉल से खेलता है। लेकिन स्पोर्ट्स इण्डस्ट्री पर 12 से 28 प्रतिशत जीएसटी लगा दिया गया है। पहले ही चाइना और ताइवान जैसे देश हमारी स्पोर्ट्स इण्डस्ट्री को कैचर कर रहे हैं और यहां तक कि यह जो स्किपिंग रोप्स होते हैं, जिनसे बच्चे खेलते हैं, उन पर भी जीएसटी लगा दिया गया है। ये एक पेशा है, जो गरीब लोग हैं, जो अनुसूचित जाति के लोग हैं, जो मर जाते हैं, डेड एनिमल्स की स्किनिंग करते हैं और उसके बाद साइकिल पर रख कर लाते हैं, उसको प्रिज़र्व करने के लिए उसके ऊपर फिर नमक छिड़कता है, उसके बाद

उसकी रॉ टैनिंग होती है, पिट्स में होती है। उस पर भी अगर पांच और 12 प्रतिशत जीएसटी लगेगा तो मैं समझता हूँ कि यह मरे हुए जानवरों पर भी लगा दिया।

जेटली जी बहुत काबिल इंसान हैं। बहुत बड़े वकील हैं। इन पर लोगों को बड़ा भरोसा था क्योंकि हमारे वित्त मंत्री हैं। सुप्रीम कोर्ट में बड़ी बखूबी से अपना केस पुट-अप करते हैं। कल आपने मंत्री जी बहुत फुलारी लैग्वेंज से भाखण तो दिया, लेकिन असल में वह रियलिटी नहीं है। देश में एक बहुत बड़ा क्योस खड़ा हो गया है। जेटली जी, मैं आपसे कहना चाहता हूँ कि -

“आवारगी में मोहसिन इसको भी हुनर जाना,
इकरार-ए वफ़ा करना, फिर उससे मुकर जाना। ”

ऐसा आपके लिए लोग आज सोच रहे हैं कि आपने बहुत बड़े-बड़े सब्ज़बाग दिखाए, लेकिन अब उससे पीछे हट गए हैं और आज देश में एक बड़ा बवाल खड़ा हो गया है।

चण्डीगढ़ से इसको बैनिफिट होगा। चण्डीगढ़ देश का सबसे ब्युटिफुल शहर है। मेरा भी उससे बहुत गहरा ताल्लुक है। पहले हमारे पवन बंसल जी लंबे अर्से से चण्डीगढ़ को रिप्रेज़ेंट करते रहे हैं और मंत्री भी रहे हैं। चण्डीगढ़ का विकास करने की उन्होंने काफी कोशिश की है। लेकिन आज चण्डीगढ़ डिटीरिओरेट हो रहा है। यह जो पॉवर इनको दी है, इससे 17 करोड़ रूपये एन्युअली इसको फायदा होगा। पर मैं समझता हूँ कि चण्डीगढ़ के विकास के लिए और बहुत सारी चीज़ों की जरूरत है। चण्डीगढ़ के बिल्डिंग बॉयलाज़ बहुत पुराने हैं। आज इस नए जामाने में उनको बदलने की जरूरत है, क्योंकि वहां कनवर्ज़न के लिए बहुत पैसा लगता है। चण्डीगढ़ की जो कमर्शियल और इंडस्ट्रियल प्रॉपर्टी है, उसका जो लीज होल्ड है, उसको फ्री होल्ड करने की जरूरत है, तभी चण्डीगढ़ आगे बढ़ेगा। चण्डीगढ़ स्मार्ट सिटी बना है, लेकिन चण्डीगढ़ स्मार्ट सिटी में जो गाँव आये हैं, अगर वे स्मार्ट नहीं होंगे, उनको डेवलपमेंट के लिए पैसा नहीं दिया जायेगा, तो चण्डीगढ़ स्मार्ट सिटी कैसे बनेगा। ऐसे ही सूक्ष्म, लघु और मध्यम उद्यमों को बढ़ावा देने की जरूरत है।

अन्त में मैं यह कहना चाहता हूँ कि चण्डीगढ़ को मैंने बनता देखा है। जब शुरू हुआ, तब भी देखा और अब इसे डिटीरिओरेट होते हुए भी मैं देख रहा हूँ। यह तब ठीक होगा, चण्डीगढ़ बिलॉग्स टू पंजाब, यह पंजाब का है, यह पंजाब को दिया जाये, ताकि बार-बार जो अमेंडमेंट्स हैं पंजाब के लॉज की, उनको वहाँ लाने का कार्य न किया जाये।...(व्यवधान) मेरी वित्त मंत्री जी से यह रिक्वेस्ट है कि फौरी तौर पर यह फैसला लिया जाये और चण्डीगढ़ पंजाब को दिया जाये। धन्यवाद।

PROF. SAUGATA ROY (DUM DUM): Sir, in fact, I would not have spoken if Shri Premachandran had not made a long speech. As the hon. Minister has ... (Interruptions) Smt. Kher is saying something... (Interruptions)

श्रीमती किरण खेर (चंडीगढ़) : चंडीगढ़ को इन्होंने कम होते देखा है, यह बात बिल्कुल गलत है। जितनी उन्नति चंडीगढ़ अभी कर रहा है, इतनी पिछले 15-20 साल में नहीं हुई है। जो भी वहाँ के मेरे कांस्टिट्यूट्स हैं, जो यह लीज होल्ड टू फ्री होल्ड की बात कर रहे हैं, ये बातें मिनिस्ट्री ऑफ होम अफेयर्स में, मिनिस्ट्री ऑफ अर्बन डेवलपमेंट में, फाइनेंस मिनिस्ट्री में उठाकर It is being done. The procedure is on. We are very happy as a Union Territory.

PROF. SAUGATA ROY: Sir, I will be very brief. As the hon. Minister said that this is a consequential amendment because earlier in the city Chandigarh which is a Union Territory under the Government of India, entertainment tax and entertainment duty was collected by the Centre. Now, the Centre has decided that the collection of entertainment tax and entertainment duty will be passed on to the Chandigarh Municipal Corporation. As was mentioned by the previous speaker that this will mean a gain of Rs. 17 crore to the Municipal Corporation which is necessary because Chandigarh is a beautiful city that needs money for its improvement.

Sir, having said that let me also state that our Party has always been in favour of introducing GST. We had some reservations about introducing it in a hurry on the 1st of July, 2017 which is why we did not attend the midnight Session of Parliament. All I want to say is that one month has elapsed since July 1st, the system is more or less working smoothly. There are some hiccups. There have been some complaints. I hope that all these decisions will be taken in the GST Council which has been taking decisions unanimously and there will be moderation in the tax rates, Tax slabs of 0 per cent; 5 per cent; 12 per cent, 18 per cent and 28 should not remain, especially with regard to some contentious matters like women have demanded reduction of tax on sanitary napkins. The hon. Finance Minister has already explained that all concerns on GST expressed in Parliament will be looked into.

With these words, I support the Bill. It is good for the country.

Thank you.

***SHRIMATI RITA TARA (JAJPUR):** I stand to support this Bill.

The Bill amends the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994. The 1994 Act extends the provisions of the Punjab Municipal Corporation Act, 1976 to the Union Territory of Chandigarh.

This bill gives powers to the Chandigarh Municipal Corporation to levy entertainment tax & entertainment duty, while it takes away the powers of the corporation to levy octroi. This is in line with the new GST structure.

While it's appreciated that this Government is trying to smoothen out sticky laws & clarify jurisdictions of municipal corporations like Chandigarh, we need to think and talk about the larger problem of effectively decentralized government.

All the moves this Government has made is towards gaining more power rather than giving it away and distributing it. Goods & Service Tax being the biggest example where the powers of the states to levy their own taxes was taken away. This Government is also on an overdrive to cancel schemes that benefit state governments, drying up funding for welfare schemes like MNREGA and PDS. All of this points towards a certain mindset which is against the ethos of our constitution.

While the GST, promotion of Hindi, and other such issues have brought up debates on centre-state relations, there has also been a recent surge in discussion over urban local government in India, given the increasing urbanisation and the governance failures in Indian cities.

We often tend to forget that federalism is not just about Centre-state relationship but also about the third tier of government: Our local bodies. In every developed country, you will find that local bodies are the most sufficiently empowered and powerful bodies of Government. They can pass laws, impose taxes and do major projects within city limits. Not only that, in countries like the US, the police is also under the city administration.

In India, however, the Central Government in Delhi has always tried to usurp that power and keep it with itself. According to the 2011 Census, there are 46 cities in India with a population of more than one million, and eight with a population of more than four million. Seven of the 10 largest cities are also the capital cities of the states in which they are located (including Delhi which is a city state by itself). Yet, all these cities are supposed to be governed with only the powers that the state government chooses to give them.

Take the example of Himachal Pradesh which imposed direct mayor elections. After a rival party (I will not name this party) won both Mayor and Deputy Mayor seats, as a result the whole law was scrapped. It's always been a matter of political convenience for states to twist and turn laws related to urban local bodies.

There is a lack of accountable local leadership which can be hauled up whenever there are major problems in the city. Recently, a young Radio Jockey made a parody video about the potholes on Mumbai streets. It erupted into a controversy. We saw how upset the local body gets when shoddy work is pointed out. They did everything in their power to silence this young lady and punish her for pointing

out the obvious. Here, the people could not hold one single person responsible for shoddy road conditions because there was no directly elected mayor.

Our cities have a weak and fragmented institutional architecture in which multiple agencies with different bosses pull the strings of city administration. Vesting the executive powers of the municipality with the Mayor would be the right move. Most Indian cities still follow the Commissionerate system of municipal administration which is a British legacy.

In the current system, the State government-appointed Commissioner is the executive head of the city while the Mayor has a largely ceremonial role. In a democracy, the head of the governing body should always be an elected leader not a state-appointed puppet.

Reports say that PM Modi is keen on making directly elected mayors a reality. I want to ask the Government if these reports are true and whether the Urban Development Ministry is looking into bringing in a law to make this happen?

As it is urban conglomerations are badly frayed at the edges without proper infrastructure. This Government started a scheme called "Smart Cities" to make our cities more efficient through proper urban planning & infrastructure development. But only a street or two are being adopted under this scheme. So far, it has been a flop because our major cities remain the same old decrepit selves.

Bhubaneswar is one of the cities that ranked high in the Smart cities ranking list. The idea was to completely change the areas around the main railway station into a modern metropolis. However, due to lack of proper guidance and implementation there has been lacklustre progress. Even the hype about the wifi system being put up in these Smart cities barely function.

The Government needs to rethink its ideas about decentralization and hand over more power to urban local bodies. I also suggest that the Parliament needs to do a review of all the schemes launched by the Government by setting aside a week just for that.

Without an alternative, I support this bill.

SHRI MD. BADARUDDOZA KHAN (MURSHIDABAD): Hon. Deputy-Speaker Sir, I will be very brief.

This Bill is a very short Bill and there is nothing to oppose in it. According to 1994 Act, only the Central Government has the power to levy entertainment tax and entertainment duty for Chandigarh. Now 101st Amendment to the Constitution has been made in 2016 which subsumed entertainment tax with the GST except some bills. But this is not my submission.

We would like to say that the power of taxation on entertainment will be transferred to the Corporation. I have a question which is of clarificatory nature. After getting such a power of taxation, will the Corporation have the power to levy entertainment taxes at any rate, or whatever they wish, or are there any binding of GST for fixation of such taxes?

I would like to mention only one more point. Yesterday or some days earlier, I have been hearing from this side and that side as One Nation-One Market-One Tax. It may be a dangerous slogan. I will tell you as to why I am saying so. If it is 'One Nation One Tax', then why is petroleum not included in this Tax? It is also dangerous for the federal structure of our country. Now, you are saying, 'One Nation One Tax', 'One Nation One Market'. But after some time you will say, 'One Nation One Culture', 'One Nation One Religion'. Then what will be our fate? In this manner the Government is moving towards fascism. So, this slogan is also a dangerous slogan. Ours is a vast country. It has a federal structure. So, it is not right to say 'One Nation One Tax' in such a way.

SHRI ARUN JAITLEY: Sir, in brief if I may say so, there were 17 taxes and 23 different cesses either levied by the Central Government or the State Governments which have been subsumed in the GST. There are some taxes which still remain outside the GST. For example, some road tax in the States which are outside the GST. Similarly, with regard to entertainment tax, I explained yesterday as to what is the weighted average across the country, and what the Central and the State GST is going to be.

To keep the health of the municipalities in mind, the municipalities have been given the right to levy a certain reasonable tax if they feel so. Now, this is a dichotomy. But this is how the architecture has come about.

I have personally written to every Chief Minister saying that till such time that the GST stabilises itself, we must not consider seriously imposing some of these taxes because they may increase the burden. Your own State, Mr. Deputy-Speaker, Sir, had imposed it. But they are now trying to re-work the whole system out again. A State is also an elected institution. It is also sovereign in its own function. It is also accountable to their people. Let us not start with the presumption that when parliamentary power is given to them or a State legislature power is given to them, the State will necessarily exercise it in an irresponsible manner. We must balance it with two. We must see what is the amount of burden

we can put on the common person and at the same time the flow of resources into the municipalities also takes place. I am sure the States will keep all these considerations in mind.

Shri Premachandran raised the point as to why it was done through an Ordinance. Once the laws are finalised, there is a consequential impact on several other legislation. Now, that consequential impact has to be corrected. Otherwise, the dichotomy would have set in that in relation to Chandigarh on the 1st of July, the Central Government would have been still imposing some entertainment tax over and above what is the agreed tax. Therefore, the Central Government had to denude itself of that power. That is why this Ordinance was necessary. The Parliament was not in session. So, that is the reason as far as urgency is concerned.

Several other questions have been raised. Shri Premachandran said that you have not mentioned the 2000 amendment. When you make a reference to the principal law, you make reference to the original law. The law may have been amended half a dozen times thereafter. It is not necessary in subsequent amending Acts to make a reference to every amendment which has taken place. But the other point is very well taken. We have to seriously consider in the larger interest of urban management in this country how municipal resources in this country are managed in a sense that municipalities themselves become self-sufficient institutions and are able to provide world-class cities of different tiers as far as the country is concerned.

A lot of reference is made to the rates, etc. Let me explain it to Prof. Saugata Roy. I have explained that we followed the equivalence principle, and we followed the revenue neutrality principle. I can add one more fact. The GST Council has kept its mind absolutely open. There may be areas where we could have erred in our calculations. There could be areas where the adverse impact of the tax itself may come to our notice. That is why there is no question that 'a body of States and Centre has decided that we are sovereign and therefore it will never be reconsidered it.' It is an ongoing process. There are technical experts, who first examine. Then, they take it to the political body, which is the Council. Therefore, even after the initial imposition took place, before the 1st of July, when it was implemented, we found that 64 rates out of 1211 required a reconsideration. Therefore, in favour of the citizens, those reconsiderations were done.

After the 1st of July, we realised that the formula, which we had prescribed for cigarettes had resulted in a windfall profit for the cigarette companies. Now, this seemed to be the impact of that rate itself. Therefore, at one day notice, we held a meeting through video conferencing and corrected the error so that, that profit itself does not become an unjust enrichment on account of the tax rate for the cigarette companies because that is a product, which is detrimental to the health. So, we corrected it on that evening itself.

Therefore, this process of a self-correction exercise, till we reach a stage of 'as perfection as possible', we will certainly continue. I think, since it is a body, it is structured in a manner where all States, all regions are involved; and each one of the Finance Ministers of the States is listening to the industry and the trade in his State, and therefore, this process will continue to go on itself.

With these few words, I commend this Bill for approval of the House.

HON. DEPUTY-SPEAKER: Shri N.K. Premachandran, are you pressing for your Statutory Resolution?

SHRI N.K. PREMACHANDRAN: No, Sir. I am withdrawing Statutory Resolution.

HON. DEPUTY-SPEAKER: Okay.

Is it the pleasure of the House that the Statutory Resolution moved by Shri N.K. Premachandran be withdrawn?

The Statutory Resolution was, by leave, withdrawn.

HON. DEPUTY-SPEAKER: The question is:

“That the Bill further to amend the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994, be taken into consideration.”

The motion was adopted.

HON. DEPUTY-SPEAKER: The House will, now, take up clause-by-clause consideration of the Bill.

The question is:

“That clauses 2 and 3 stand part of the Bill.”

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

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

SHRI ARUN JAITLEY: I beg to move:

“That the Bill be passed.”

HON. DEPUTY-SPEAKER: The question is:

“That the Bill be passed.”

The motion was adopted.

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