

4281 Appropriation (Vote PHALGUNA 25, 1884 (SAKA) Central Sales Tax (Amendment) Bill 4282
on Account) Bill
Tax (Amendment)
Bill

Shri Sezhiyan (Perambalur): It has not been circulated to us.

An Hon. Member: Here is a copy of the Bill before me.

Mr. Speaker: Where did he get it from?

Some Hon. Members: It has come along with the dak.

Shri Hari Vishnu Kamath: I am afraid I have not got the copy.

Mr. Speaker: I am told that it has been distributed and it has been supplied to Members.

Shri U. M. Trivedi (Mandsaur): I have not got the copy.

Shri D. C. Sharma (Gurdaspur): The Bill was circulated. Here is a copy of the Bill which I have got before me now.

Shri U. M. Trivedi: My hon. friend Shri D. C. Sharma always gets things ahead.

Mr. Speaker: Probably, the hon. Member might not have gone to the distribution counter. Otherwise, I am told that it has been distributed.

Shri U. M. Trivedi: Usually, those things are distributed at our residences.

Mr. Speaker: That also has been done. I am told that along with other parliamentary papers, this also has been supplied, and sent to the residences of the Members.

The Deputy Minister in the Ministry of Finance (Shri B. R. Bhagat): Shri Kamath has not opened his parliamentary papers!

Mr. Speaker: I am told that it has been circulated. Therefore, there is no need to suspend the second proviso to rule 74.

The question is:

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1963-64 be taken into consideration"

The motion was adopted.

Mr. Speaker: Now, we shall take up the clauses.

The motion was adopted.

"That clauses 1 to 3, the Schedule, the Enacting Formula and the Title stand part of the Bill".

The motion was adopted.

Clauses 1 to 3, the Schedule, the Enacting Formula and the Title were added to the Bill.

Shri Morarji Desai: I beg to move:

"That the Bill be passed".

Mr. Speaker: The question is:

"That the Bill be passed".

The motion was adopted.

15.55 hrs.

CENTRAL SALES TAX (AMENDMENT) BILL

The Deputy Minister in the Ministry of Finance (Shri B. R. Bhagat): On behalf of Shri Morarji Desai, I beg to move:

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

This Act provides among other things for the levy of tax on sales in the course of inter-State trade or commerce. Sub-section (1) of section 8 of the Act provides that inter-State sales to dealers registered under the Act and to Government would be taxable at the rate of one per cent of his turnover. This rate was fixed at the time of the enactment of the Act in 1956 and has not undergone any change since then. In view of the present need to tap all available resources, it is proposed to raise this general rate from one per cent to two per cent. In so far as inter-State sales to unregistered dealers or consumers are concerned, sub-section (2) of section 8 provides at present for the levy of tax at the

[Shri B. R. Bhagat]

rate of seven per cent and it is proposed to raise the rate on such sales to ten per cent.

Article 269 (1) (g) of the Constitution assigns revenue from tax on sales or purchase of goods in the course of inter-State trade or commerce, to the States. Section 9 of the Act, accordingly provide that tax under the Act shall be levied and collected by appropriate authorities of State Governments on behalf of the Central Government and that State Governments shall retain the proceeds. In the case of Union Territories, however, the proceeds form part of the Consolidated Fund of India. On the basis of last year's collections and after taking into account the rate of growth as also the slight adverse effect which the proposed increase is likely to have on inter-State trade, it is expected that the proposed measure would help the States and the Union Territories to raise additional revenues to the extent of Rs. 30 crores in a full year.

15.58 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Out of this, collections in the Union Territories would amount to about Rs. 1.5 crores. In 1963-64, however, the additional revenue will accrue only for three quarters of the year which will be about Rs. 22.5 crores.

In view of the fact that any increase or decrease in rates of Central sales tax affects the revenue interests of States, the State Governments have been consulted before bringing forward this measure. I may add that the proposal has been welcomed by most of them.

In view of the foregoing considerations, I feel that the House would agree with me that the provisions of the Bill are not controversial and I trust the House will accept the amendments proposed.

With these words, I move.

Mr. Deputy-Speaker: Motion moved:

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

Shri Hari Vishnu Kamath (Hoshangabad): How much time has been allotted for this Bill?

Shri Bade (Khargone): Two hours.

Shri Hari Vishnu Kamath: Are we going to sit beyond 6 P.M. today for the other Bill?

Mr. Deputy-Speaker: We have to pass the motion in regard to the other Bill also today.

Shri B. R. Bhagat: Therefore, take less time on this Bill.

Dr. Ranen Sen (Calcutta East): Just after the speech made by Shri Morarji Desai....

Shri Hari Vishnu Kamath: Before the hon. Member starts his speech on this motion, let us have quorum. There is no quorum in the House.

Mr. Deputy-Speaker: The quorum bell is being run—

Now, there is quorum. The hon. Member may continue his speech.

16 hrs.

Dr. Ranen Sen: Mr. Deputy-Speaker, Sir, after hearing the speech made by the Finance Minister, I am very sorry to say that I could not appreciate most of what he had said. Now, immediately after his speech, a sort of another controversial Bill comes before us.

Sir, the Deputy Minister has said that this is not a controversial Bill. But I am again sorry to say that it is still non-the-less controversial in the sense that what is the ultimate result of this Bill if it is passed. I can tell the Deputy Minister that, firstly, this Bill will have its effect

on the traders and what the traders would do is, they would evade this taxation. I come from a State where we have seen—it is also admitted—that a lot of smuggling goes on on the border between West Bengal and Bihar, between West Bengal and Orissa just to evade this Central sales-tax. This is known to everybody and when this Bill was passed, this was also raised in the West Bengal Legislative Assembly by the Chief Minister of the Government of West Bengal. He could not deny the existence of smuggling and he could not also deny that it will give rise to more smuggling.

The first result would be, smuggling on a bigger scale. Secondly, ultimately what would happen is, it will affect the people because ultimately sales tax is the purchase tax. So, what would happen is this. He has said that nearly Rs. 300 crores additional will be realised from the people in course of the implementation of this amending Bill. I am very sorry to say that we know from the estimates of national income of 1948-49 to 1961-62 that our *per capita* national income has not only not grown but it has come down a little. In 1948-49, the *per capita* income was Rs. 293.7 and in 1961-62 it has come down to Rs. 293.4. It has decreased. Now, when the *per capita* income has decreased, another taxation measure on the people would adversely affect the people undoubtedly. This is also a fact that this taxation measure is an indirect one. We also know from the figures supplied by the Government that indirect taxation has risen nearly by 400 per cent from 1948-49 to 1961-62, whereas direct taxation has risen in the same period from 2.39 to 4.16, that is, less than 100 per cent. This Bill is again going to affect the poor and middle class people. In this year when just after the budget was announced the prices have gone up, I do not think it is advisable or desirable to push this Bill through and get a little more money out of the people

It has been stated in the budget that for national defence and national development it is necessary. If everything is sought to be justified and if everything is sought to be pumped out in the name of national defence and national development, it will be a measure of increasing the burden of taxation on the common people. We are all for national defence and national development as Shri Morarji Desai also admitted just now, but there is a limit beyond which taxation should not go.

The Finance Minister was asking, where are the alternative sources? Nobody has pointed out such sources. He also tried to ridicule the Communists Members of Parliament by saying that they always put forward the demand for nationalisation of banks and all that. Our friends immediately replied to that. I ask: in this emergent situation in the country, in the interest of national defence and national development, why not take over the banks? It is known to everybody that today the banking industry is in a boom. We can get enough money through that source for our development and defence. If smaller countries can do it—our neighbour, Burma, has done it; they have had the guts to do it; they have the desire to build up their country—why not we, a bigger country, do it? With the meagre resources they have, they have taken over the banking industry. Shri Morarji Desai has sought to deride this argument by saying that it will not be supported anywhere in the world. He tried to quote our Prime Minister. But it must be said that all the countries which are newly liberated today, have more or less, in some form or other, taken over banks, call it nationalisation, call it taking over, call it anything.

There are so many other alternative sources of resources. Burma has taken over the rice trade and timber trade with its meagre resources. It is trying to do all this without taxing

[Dr. Ranen Sen]

the people further. Without imposing additional taxes, they are trying to develop their country's economy and promote its welfare.

If we do not tap these other sources, what happens? As I have said, this tax affects the poor and middle class people most. In the budget, we have Rs. 275 crores of additional taxation as indirect tax on the people. I am sure at the end of the year, the money realised from taxation would be much more than Rs. 500 crores. This has been our experience.

Therefore, I say this Bill should be dropped by Government. At this hour, the people should not be ruffled. This tax should not be levied. People should not feel that a new tax measure is being enacted in Parliament. In the interests of national development and national defence, there are other measures and other steps which the Government can take in order to get the necessary money.

Shri Himatsingka (Godda): The Central Sales Tax (Amendment) Bill that has been introduced will help in the rise of prices, and the attempt to hold the price line will be made more difficult. The direct effect of this Bill will be that goods which go from one State to another, and which are now liable to tax at seven per cent, will have to pay ten per cent. Straightaway, three per cent will be added to the price.

Apart from this rate, I want to bring to the notice of the hon. Minister how this Act is being applied. When an article is purchased in one State for being sent to another State, simply because the goods are examined in that State and loaded into wagons, the State authorities say that the title has passed and the sale is complete, and so they charge the State sales tax. But, as the goods go out, the same officer again charges the same goods with the

Central Sales Tax, because he says that the goods have gone out of the State, and it has moved from one State to another. That certainly is not the intention or the meaning of the Central Sales Act.

When goods are taken from one State to another, they are liable to only one tax, that is the Central Sales Tax. But in application, in almost every case—I am talking from my personal experience of cases—it is being taxed twice, and this has become an instrument of oppression and corruption.

I know of a case where the officer charged the dealer, or rather wanted to charge the dealer and threatened to charge him. He wanted the Central Sales Tax and the other tax, both the taxes to be paid. The dealer refused and went in appeal because the amount was very much increased. The officer hears the appeal in January, 1959. He does not deliver the judgement for three years. Perhaps he waits for some approach to be made to him, I do not know, but for three years no judgment is delivered. After that, it is delivered dismissing the appeal. That is how the Central Sales Tax is being applied and worked.

It is all very well to say that the States want money, and therefore the rate should be increased from seven to ten per cent. By one stroke of the pen you are increasing by three per cent the cost of almost everything, except what are called declared goods. Only foodgrains, cotton and two or other articles are declared goods.

Therefore, I request the hon. Minister to look into the question how the Act is being applied, how it has become an instrument of oppression and corruption. I can cite the number of that case and how it has been decided, but I am sure no result will accrue because these things are always suppressed and ultimately no result comes out of such reporting.

Therefore, I feel that it should be made clear that goods which have been taxed in the State will not be liable to the inter-State sales tax, and that in any event the officer should not try to twist the law and charge both the inter-State sales tax and the State sales tax on the same goods, which is absolutely wrong, because the same goods cannot be sold in the State and again go out of the State for the same person. I want to bring that to the notice of the hon. Minister.

श्री काशी राम गुप्त (अलवर) : उपाध्यक्ष महोदय, ऐसा प्रतीत होता है कि प्रदेश सरकारों ने और भारत सरकार ने एक कम्पिटेशन सा कर लिया है सेल्स टैक्स को लगाने में। वे इसके असर को भी देखने के लिये तैयार नहीं हैं कि इसका क्या नतीजा होने जा रहा है। अभी-अभी जितनी भी प्रदेश सरकारें हैं उन्होंने अपने सेल्स टैक्स हर चीज में बढ़ा दिये हैं, और केवल हर चीज में ही नहीं बढ़ा दिया है बल्कि उन चीजों पर भी लगा दिया है जिन पर पहले नहीं लगता था। राजस्थान सरकार ने फूड ग्रेंस के ऊपर भी सेल्स टैक्स लगा दिया है, उसके ऊपर हम कहते हैं कि प्राइस लाइन को रोकने के लिये ऐसी चीजें नहीं करनी चाहियें। ऐसी दशा में ऐसा प्रतीत होता है कि फाइनेन्स मिनिस्टर महोदय ने इस बात की तकलीफ नहीं गवारा की कि वह देखें कि जो कुछ टैक्सेशन उन्होंने इस समय किया है और जो प्रदेश सरकारें करने जा रही हैं, उन सब के क्या नतीजे होने जा रहे हैं, और उनको देखते हुए क्या इस सेल्स टैक्स (अमेंडमेंट) बिल को लाने की जरूरत थी।

मैं निवेदन करूंगा कि अभी-अभी बहुत सी बातें हुई हैं और हमारे वित्त मंत्री ने भी अपने भाषण में कहा है कि उन्होंने ऐसा टैक्सेशन नहीं किया जिससे जनसाधारण की, शरीकों की जरूरत की चीजों पर असर पड़े। लेकिन यह सेल्स टैक्स ऐसा है जिसका असर सीधा जनसाधारण की जरूरत की चीजों पर पड़ेगा। इसलिये कोई वजह नहीं 3017 (Ai) L.S.D.—8.

कि इस सेल्स टैक्स को लगाया जाय। इसके नतीजे न केवल यह होंगे कि कीमतें बढ़ेंगी बल्कि इसका नतीजा यह भी होगा कि सीधा भ्रष्टाचार बढ़ेगा। स्पष्ट है कि सेल्स टैक्स के मामले में भ्रष्टाचार होता है। यह सेल्स टैक्स भी वही अफसर लगाते हैं जो राज्यों में सेल्स टैक्स लगाते हैं। इस के लिये कोई मशीनरी यहां की नहीं होती है। इसलिये इसमें भी कुछ करप्शन के होने का अन्देशा है।

इसके अलावा मैं यह अर्ज करूंगा कि बहुत सी ऐसी जगहें हैं, जैसे कि दिल्ली है, जहां से लोग माल ले जाते हैं। उनकी यह माकेंट बिल्कुल खत्म हो जाती है। अगर सेल्स टैक्स के लगाने का यह मंशा है कि लोग अपने व्यापार को खत्म कर दें, व्यापारियों का दिल्ली आना कम हो जाय, तो बात दूसरी है। इस सेल्स टैक्स का क्या नतीजा होगा यह हम अच्छी तरह जानते हैं। अभी अभी हमारे वित्त मंत्री जो कह रहे थे कि वह टैक्स जिससे व्यापार ठप्प होता हो, जिससे पैदावार ठप्प होती हो, उसे नहीं लगाना चाहिये। लेकिन क्या वित्त मंत्री महोदय यह बतलाने की कृपा करेंगे कि क्या इससे इन्टर स्टेट व्यापार ठप्प नहीं होगा? अब तक जो व्यापार होता था उसमें बहुत कमी हो जायेगी।

इसके अतिरिक्त जो सबसे ज्यादा आश्चर्य की बात है वह यह है कि अनरजिस्टर्ड डीलर्स का टैक्स बढ़ रहा है ७ प्रतिशत से १० प्रतिशत। इसका कारण मैं समझ नहीं सकता। अनरजिस्टर्ड डीलर जो हैं उनमें कंजूमर्स भी आ जाते हैं। इसके माने यह है कि कंजूमर्स दोहरी मार से मरें। अगर कोई आदमी राजस्थान का दिल्ली से माल ले जाना चाहता है अपनी खपत के लिये तो वह अनरजिस्टर्ड डीलर की परिभाषा में आ जायेगा और उसको १० परसेंट देना पड़ेगा। या तो फिर वह चोरी करेगा और कहेगा कि मैं यहां का ही रहने वाला हूं और यहां का सेल्स टैक्स लो। चूंकि यहां के लोग सेल्स

[श्री काशी राम गुप्त]

टैक्स देते हैं नहीं हैं, इसलिये वह बगैर सेल्स टैक्स दिये अपना माल ले जायेगा। इस चीज से किसको लाभ होने वाला है? क्या सरकार यहां इस बात को रखना चाहती है कि जो रजिस्टर्ड डीलर हैं उनका व्यापार इससे बढ़ेगा या तरक्की करेगा? मैं यहां इस बात को रखना चाहता हूं कि इससे उसमें रुकवट आयेगी। इससे उनकी तरक्की होने वाली नहीं है क्योंकि अनरजिस्टर्ड डीलर के नाम पर जो लोग पहले ७ परसेन्ट देते थे उनको अब १० परसेन्ट देना होगा। जो फर्क पहले ६ परसेन्ट का था अब वह ८ परसेन्ट का हो गया है रजिस्टर्ड और अनरजिस्टर्ड डीलर में। यह फर्क किस कारण से हो गया है यह भी मन्त्री महोदय ने बतलाने की कृपा नहीं की है।

इसलिये मैं अर्ज कहूंगा कि इस प्रकार की जो बातें रक्खी जाती हैं और उनका कारण भी नहीं वतलाया जाता है, इससे महंगाई और बढ़ेगी और भ्रष्टाचार भी बढ़ेगा। सिवा इसके और कोई नतीजा इसका होने वाला नहीं है। इसमें अनरजिस्टर्ड डीलर की बात इसलिये रक्खी गई थी कि ट्रेड का फ्लो ठीक रहे और रजिस्टर्ड लोगों के जरिये से यह काम हो। लेकिन इस प्रकार का फर्क रखने का मतलब यह हो जाता है कि लोगों के अन्दर चोरी की वृत्ति बढ़े, लोग टैक्स से जो चुराये। क्योंकि जितने भी टैक्स का बोझ आप जनता के ऊपर लादते चले जायेंगे और जितने भी कानून बनायेंगे उन पर अमल का नतीजा वही होता है जिस प्रकार लोग शराब के बड़े बड़े ठेके लेते हैं। वहां पर महंगाई हमें से इल्लिसिट लिकर बढ़ जाती है। इल्लिसिट लिकर वहां ही नहीं बढ़ती है जहां पर शराबबन्दी होती है बल्कि वहां बनती है जहां पर वह महंगा हो जाती है। इसलिये इस प्रकार के सेल्स टैक्स के लगाने से जिससे लोगों को मौका मिले चोरी करने का, वह चोरी और भी घामे बढ़ेगी। क्या सरकार इत

बात के लिये कटिबद्ध हो गई है कि वह ऐसे कानून बनाये जाये जिससे चोरी की मात्रा बढ़ती चली जाये और लोगों का नैतिक पतन होता चला जाए। अतः मैं निवेदन करूंगा कि खास तौर से इस इमरजेंसी के समय जबकि टैक्स बढ़ रहे हैं और जबकि हर राज्य सरकार अपने यहां सेल्स टैक्स बढ़ा रही है, उस समय इस सेल्स टैक्स को लगाना किसी तरह से उचित नहीं है। इसलिए मेरा निवेदन है कि इन सब दृष्टियों से इस सेल्स टैक्स बिल को वापस ले लिया जाए और इसको न लगाया जाए।

Shri V. B. Gandhi (Bombay Central South): Mr. Deputy-Speaker, Sir, I have personally never been a friend of sales-tax. I have believed that sales-tax is not a good form of taxation, but in the context of the circumstances with which we are faced at present, I do not see there is any way out for us except to support wholeheartedly the Bill before the House.

What is the situation in this respect today? The existing rate of tax on sales in the course of inter-state trade or commerce was levied something like seven years ago, and during all this period, a lot of change has taken place. It is now time that we considered altering these rates. There are other good reasons for which such alteration also is called for.

We know, as a matter of fact, that the financial position of State Governments is anything but satisfactory. Only recently, that is, last year, we learnt that the Central Government actually came to the assistance of the State Governments and paid off certain debts which were owed by the State Governments to the Reserve Bank. The amount, I think, was something in the neighbourhood of Rs. 76 crores. Then, even in the budget that is before this House, we find that the Central Government is going to the help of the State Governments. Actually, when this Bill be-

fore the House is passed, it is going to help the State Governments with additional revenue to the extent of something like Rs. 30 crores annually.

Then there is also a provision in the new budget for changes in the Central excise duties which will probably net another Rs. 6.6 crores to the States. Then we have all seen the much-discussed proposal for compulsory savings, and these savings also are going to be shared. We know that the share of the States is going to be quite substantial. We realise that sometimes these States should be reminded also of their part and of their duty to find larger resources to finance their part of the Plan. But, on the whole, I feel that the States at the present time do deserve some sympathetic consideration.

Before I close, I would just make one suggestion that in the view of many of us, the old idea of making this entire sales tax a Central collected and distributed tax should be encouraged. There are many good reasons why this entire tax on sales and not just that which arises in the course of inter-State trade or commerce should be levied and collected by the Central Government. Of course, as usual it can be shared with the State Governments. I have not much time to go into the details, but I would mention that some trades of all-India importance have placed certain viewpoints which must be considered. For instance, I have here a passage from a representation which was made to the Central Government sometime ago by the All India Cotton Traders' Association. It says:

"From the cotton trade's point of view, conversion of the sales-tax on cotton into some sort of Central Tax Collection either at the ginning/pressing stage or at the consuming stage would be an ideal solution. Having collected this tax centrally, of course, it can be distributed on some kind of rational and equitable basis."

The representation further says:

"A commodity of the magnitude of cotton deserves some special consideration."

What is said here of the cotton trade, what is true of the cotton trade is also true of many trades of all-India importance. Therefore, this idea of central collection and distribution of this tax is worthy of consideration.

श्री बड़े (खारगोन) : उपाध्यक्ष महोदय, यह सेंट्रल सेल्स टैक्स विमूल बिल के सेक्शन ८ में यह संविधान करने के लिये लाया गया है कि एक पर सेंट की जगह दो पर सेंट कर दिया जाए और ७ परसेंट की जगह १० परसेंट कर दिया जाए। अभी बजट के द्वारा हमारे ऊपर टैक्स लगाए गए हैं और अब यह इनडाइरेक्ट टैक्स और हमारे ऊपर बढ़ाया जा रहा है। लेकिन जितने भी टैक्स बढ़ेंगे उतनी ही मंहगाई भी बढ़ेगी। शासन चाइना के एग्जेशन के नाम पर टैक्स बढ़ाता चला जा रहा है मानों उसने एक मंत्र अपने हाथ में ले लिया है और इमरजेंसी के नाम पर टैक्स बढ़ा रहा है। शासन ने जो यह एक परसेंट से दो परसेंट टैक्स किया है इसका परिणाम यह होगा कि वस्तुओं का दाम दूना हो जायेगा। और अनआयोराइज्ड डीलर्स पर ७ परसेंट से १० परसेंट करने में शासन ने कौनसी युक्ति बतलायी है। मैं तो कहता हूँ कि शासन अपनी विहम से ऐसा करता रहता है, इसके पीछे कोई युक्ति नहीं है। मैं पूछता हूँ कि ७ परसेंट से १४ परसेंट क्यों नहीं कर दिया। कौनसा कायटेरिया शासन ने अपने हाथ में लिया है समझ में नहीं आता।

दूसरे मैंने देखा है कि यह सेल्स टैक्स इन्वेड बहुत होता है। अगर कोई आदमी दिल्ली में ५० हजार का माल लेता है तो वह कहता है कि मैं बिना रसीद के माल ले लूंगा जिससे मुझे सेल्स टैक्स न देना पड़े। इस तरह से वह इस टैक्स को इन्वेड करता है। और फिर अपनी एकजुट बुक्स में उस माल की खर्ची नहीं दिखाता और उसको बेचता रहता है। इसका परिणाम यह होता है कि सरकार को

[श्री बड़े]

इनकम टैक्स का भी नुकसान होता है। इस तरह से सेल्स टैक्स बढ़ने से एक तरफ मंहगाई बढ़ती है और दूसरी तरफ सेल्स टैक्स का इवेजन होता है और इनकम टैक्स का भी नुकसान होता है। शासन ने मनमाने ढंग से १ परसेंट का २ परसेंट कर दिया है और ७ परसेंट का १० परसेंट कर दिया है। और इसका कोई कारण बताया नहीं है। इस कर से ३० या ४० करोड़ रुपये की आय होने का अनुमान है। इसके बारे में शासन ने केवल यह बताया है कि यह कर इमरजेन्सी के कारण लगाया जा रहा है। इससे मंहगाई बढ़ेगी, इस टैक्स का इवेजन होगा और इनकम टैक्स की हानि होगी। साथ ही साथ स्मगलिंग बढ़ेगी।

मेरा विचार है कि सारे देश में एक सा यूनिफॉर्म सेल्स टैक्स होना चाहिये था। और यह सेल्स टैक्स सेंट्रल सेल्स टैक्स हो। आज हर राज्य में सेल्स टैक्स की दरें अलग-अलग हैं। मध्य प्रदेश में अलग रेट है और बम्बई में अलग रेट है। इससे काफी इवेजन की गुंजाइश रहती है। अगर यूनिफॉर्म सेंट्रल टैक्स हो तो इवेजन नहीं होगा।

दूसरा मुझसे यह देना चाहता हूँ कि जहाँ वस्तुएं तैयार हों वहाँ पर उन पर सेल्स टैक्स लगाया जाए और जब वे हैंड्स चेंज कर लें या एक जगह से दूसरी जगह ले जायी जाएं तो उन पर फिर सेल्स टैक्स न लगाया जाए। अभी सेंट्रल सेल्स टैक्स लगाने के बाद स्टेट का सेल्स टैक्स का भी झगड़ा रहता है जिससे लोगों को कठिनाई होती है। सेक्शन ४ में यह डिफिनिशन दिया हुआ है :

"Where there is a single contract of sale or purchase of goods situated at more places than one, the provisions of this sub-section shall apply as if there were separate contracts in respect of the goods at each of such places."

"(b) in the case of unascertained or future goods at the time of

their appropriation to the contract of sale by the seller or by the buyer, whether assent of the other party is prior or subsequent to such appropriation."

यह दो सेक्शन है। सेक्शन ४ (२) का एक्सप्लेनेशन जो दिया गया है उस के मुताबिक यदि यहां प्लेस ऑफ बिजनेस दिल्ली में होने से रजिस्टर्ड डीलर होता है तो एक परसेंट होता है और अगर अनरजिस्टर्ड होता है तो पहले जहां ७ परसेंट लगता था वहां अब उस पर १० परसेंट लगेगा। अब यहां से यदि वह 'सी' फार्म भरता है और डिक्लरेशन करता है कि हम प्लेस ऑफ बिजनेस इन्दौर ले जा रहे हैं तो क्या होगा? पंजाब से यहां माल दिल्ली आया और दिल्ली से फोरवर्ड कंट्रैक्ट से जिस प्रकार से उनका कंट्रैक्ट होता है वैसे कंट्रैक्ट हो गया और सेक्शन ४ के मुताबिक इंदौर में चला गया। तो इस तरह तीसरा कंट्रैक्ट हो गया और इस तरह से उनको दुगना तिगना देना पड़ेगा। मध्य प्रदेश का जो सेल्स टैक्स है वह उसको लागू होगा। इस का कारण यह है कि अभी तक क्लियर अडिडिया ही नहीं है कि यहां पर सेल्स टैक्स लगाने के बाद वहां सेल्स टैक्स लगेगा भी कि नहीं पण्डित यह बताते हैं कि व्यापारी जितने होते हैं वे यहां से वहां तक कंटेंट में धक्के खाते फिरते हैं। बिजनेसमैन इस तरह के हैरेसमेंट और गड़बड़गुट से तंग हो कर सेल्स टैक्स को इंडेड करने की कोशिश करते हैं और वे कहते हैं कि भई १० परसेंट के बजाय तुम ५ परसेंट ले लो। हमें भले ही सेल्स टैक्स की रसोई मत दो। माल परचेज कर लिया जाता है लेकिन रसोई नहीं देते हैं। इस प्रकार से सेल्स टैक्स इंडेड होता है।

सेल्स टैक्स एक्ट जिस तरह से अमल में आता है उससे जनता काफी त्रस्त हो रही है। मैंने देखा है कि यदि सेल्स टैक्स इंस्पेक्टर सेठ जी की दुकान पर पहुंच जाता है तो उसको आता देख कर सेठ जी दुकान से फौरन उठ जाते हैं और टट्टी में चले जाते हैं और

जब तक वह दुकान पर बैठा रहता है सेठ जी दुकान तर वापिस नहीं आते हैं। सेल्स टैक्स के कारण लोगों को बड़ी तकलीफ अनुभव होती है। सेल्स टैक्स के बारे में कितना अडरस्टैंडिंग होनी चाहिये जो कि आज के दिन नहीं है। अब होता यह है कि सेंट्रल सेल्स टैक्स और स्टेट्स सेल्स टैक्स इन दोनों में आस में एक कम्पिटीशन चलता है। सेंट्रल सेल्स टैक्स वाले चाहते हैं कि आमदनी आने पास आये और स्टेट्स सेल्स टैक्स वाले चाहते हैं कि इनकी आमदनी स्टेट्स में आये और यह जो सेठ जी है या ब्रेडमान व्यापारी वहाँ हैं वे कहते हैं कि एक कंट्रैक्ट हुआ, दो कंट्रैक्ट हुआ। प्लेस आफ बिजनेस दिल्ली नहीं है, प्लेस आफ बिजनेस इंदौर है। बिच इच बो प्लेस आफ बिजनेस इस पर झगड़ा चलता है। हाऊ मंगे हेडर आर चेंज, इसकी लेकर झगड़ा चलता है और फिर मामला कोर्ट में जाता है। तीन तीन दफे कंट्रैक्ट हुआ, ऐसा बतलाना जाता है। अब प्रदासतों में झगड़ा चलता है और नतीजा इसका यह होता है कि इस तरह से सेल्स टैक्स का इन्वेज्शन ज्यादा होता है और स्मगलिंग ज्यादा होती है।

गुड्स अफ़ श्रेजल इन्वीटेंस इन इंटर-स्टेट ट्रेड और कामर्स, इस की भावना बहुत अच्छी है कि इस तरह से गुड्स के ऊपर टैक्स चलाय लगना चाहिये लेकिन इन के बारे में सेंट्रल सेल्स टैक्स ऐक्ट के सैक्शन १५ में यह रेस्ट्रिक्शंस और कंडीशंस लगाई गई हैं :-

"15. Every sales tax law of a State shall, in so far as it imposes or authorises the imposition of a tax on the sale or purchase of declared goods, be subject to the following restrictions and conditions, namely:—

(a) the tax payable under that law in respect of any sale or purchase of such goods inside the State shall not exceed two per cent of the sale or purchase price thereof, and such tax shall not be levied at more than one stage;"

इसके अनुसार परिणाम यह होता है कि इन स्टेटों में जो दो परसेंट टैक्स पड़ता है उसका दो परसेंट टैक्स लगा सकती है। अब यहां टैक्स ज्यादा बढ़ जायेगा, सात परसेंट का दस परसेंट कर दिया है। स्टेट्स भी आते टैक्स बढ़ाती जायेंगी।

जाता कि सेंट्रल सेल्स टैक्स ऐक्ट के सैक्शन १४ में कुछ गुड्स इंटर स्टेट ट्रेड या कामर्स में स्पेशल इन्वीटेंस के डिक्लैर किये गये हैं जिन कि कॉल, कंटेन, हाइड्रॉ एंड सिंथेस, पिग आरन एंड आरन स्कैन वगैरह, इनके लिये स्टेटों को भी अधिकार दिया है कि वे नोट मीर टू परसेंट टैक्स लगा सकती है। इर ७ का १० परसेंट हो गया है। मैं मंत्री महोदय से जानना चाहूंगा कि वह जो सेल्स टैक्स अडरस्टैंडिंग बिज लाये हैं आखिर इसका मानदंड क्या है। १ का २ परसेंट कर देने से आपको ३० करोड़ रूपाया आयेगा लेकिन ७ का १० परसेंट करने से कितना रुपया आयेगा इसका हिसाब भी क्या लगाया गया है? मैंने जोड़ा है। मेरे पास फीगर्स है। मैं समझता हूँ कि इससे ४०-५० करोड़ रुपये आपके पास आयेंगे। इस वास्ते मैं चाहता हूँ कि आपको यह टैक्स नहीं बढ़ाना चाहिये। अभी मंहगाई बढ़ती जा रही है और जो गुड्स है उनमें और मंहगाई इससे बढ़ेगी इसवास्ते मैं चाहता हूँ कि यह जो अमेंडमेंट बिल लाया गया है वह ठीक नहीं है और मैं उसका विरोध करता हूँ।

श्री हेमराज (कांगड़ा) : उपाध्यक्ष महोदय, जो सेंट्रल सेल्स टैक्स (अमेंडमेंट) बिल, १९६३ आज सदन के सामने पेश है, जहाँ उसके मुताल्लिक यह ठीक है कि जो मौजूदा टैक्सेज हैं उनके साथ साथ यह सेल्स टैक्स के रूप में एक ऐसा अतिरिक्त बोझ है जो कि जनता पर डाला जा रहा है, लेकिन दूसरी तरफ हम देखते हैं कि प्लानिंग कमिशन ने यह बात कही है कि हर एक स्टेट अपने

[श्री हेमराज]

डवलपमेंट कार्य के लिये जितने रुपये का घाटा पड़ेगा, वह उहें अपनी स्टेट्स से खुद पैदा करना पड़ेगा। ऐसी सूरत में और जो हमारे मुक्त के हालात हैं, उसमें मैं समझता हूँ कि स्टेट्स के डेवलपमेंट प्लास को पूरा करने के लिये जो घाटा पड़ रहा है उसको वह स्वयं अपने वहाँ से पूरा करें और ऐसी हालत में स्टेट्स वेल्स टैक्स का सहारा ले रही उस रुपये की कर्म को पूरा कर सकनी हैं। ऐसी हालत में वेल्स टैक्स का समर्थन किये बगैर नहीं रहा जा सकता है।

सेल्स टैक्स से जो आमदनी होगी यह विलकुल साफ है कि वह स्टेट्स को जायेगी और जेता कि हमारे मंत्री महोदय ने कहा भी है। लेकिन इस सिलसिले में मैं एक दो बात उनके सामने रखना चाहता हूँ। एक तो यह जैसा कि मैंने अग्र किये कि इससे अष्टावार भी बढा है। जितने भी यों सेल्स टैक्स के मुद्दम थे और उनमें जितने भी इंपैक्ट्स हैं, उनके द्वारा हर एक दुकानदार पर शक किया जाता है और सच्चा दुकानदार भी यदि उनके पास जाता है तो उस पर भी शक किया जायगा। सेल्स टैक्स के कारण सभी दुकानदारों के लिये एक हेरेसमेंट रहता है और उसका नतीजा यह होगा कि हर एक आत्मी झूठ बोलने के लिए तैयार होंगा। कर्षण चलता है और साथ ही झूठ भी चलेगा। इसके अलावा जैसे कि कई माननीय सदस्यों ने कहा है कि सेल्स टैक्स रेटार्ड करने के लिये दुकानदार रसदें वहीं देंगे। यह अष्टावार का सिलसिला था; इनका बेतर चलता है इसका खत्म करने के लिये आपने एक चंय की थी और मैं चाहता हूँ कि उसकी तरफ आपका ध्यान जाय। अबल तो मैं यह चाहता हूँ कि यह जो सेल्स टैक्स स्टेट्स टू स्टेट्स डिक्कर करता है यह ठीक नहीं है। सारी स्टेट्स में सेल्स टैक्स के डिफरेंट रेट्स हैं। पंजाब में गुड रेट है, उत्तर प्रदेश में गुरा रेट है, राष्टस्थान में गुरा रेट है, दिल्ली में गुरा रेट है और हिमाचल प्रदेश में

गुरा ही रेट है। अब पंजाब में एक टैक्स लगता है जबकि पंजाब के साथ लगता हुआ दिल्ली का जो इलाका है वहाँ गुरा रेट है। इसी तरह हिमाचल प्रदेश जोकि हमारे पंजाब के साथ मिलता है वहाँ पर केवल लक्ष्मी गुड्ड पर है जो जो वोजों पर सेल्स टैक्स नहीं है अलग अलग सेल्स टैक्स के रेट्स चलते हैं और वहाँ पर सेल्स टैक्स ही नहीं है तो उतना नतीजा यह होता है कि मजदूर पंजाब में अगर कोई सेल्स टैक्स लगता है और उतके पड़ोसी स्टेट्स पर नहीं लगता है तो इन्त पंजाब को ट्रेड बाहर उा स्टेट्स को चली जाती है और इससे पंजाब को खास तौर से नुस्तान होता है। इन्तिये मैं आप से यह अर्ज करना चाहता हूँ कि यह जो मुल्हना स्टेट्स है उा पर इत बात के लिए जंर डाला जाय कि उनके सेल्स टैक्स आदि के रेट्स तकरीबन एक बराबर हों ताकि ऐा न हो कि किसी एक स्टेट की तिजारत दूसरी तरफ चली जाय और वह स्टेट्स उतने जो हाया हासिल करना चाहती है, अपना डेवलपमेंट करना चाहती है, वह उत पूरा न कर सके।

दूसरी बात जो आपने की थी कि एंडोशनल इन्स्टीट्यूट्स आफ एक्साइज (गुड्स आफ स्पेसल इम्पोर्ट्स) ऐक्ट, १९५७ पास कर के सेल्स टैक्स ऐक्ट को रिसेट किया है। मैं चाहता हूँ कि बाकी चीजों को भी उा ऐक्ट को लिस्ट में शामिल कर लिया जाय और उनके किये भी सेल्स टैक्स ऐक्ट को रिसेट कर दिया जाय तो यह उचित होगा क्योंकि इससे कर्षण खत्म हो जायगा। एकाउंट्स का जो सिलसिला है उसको रखने से भी व्यापारी लोग बच सकते थे। जहाँ इत तरह की व्यवस्था होने से व्यापारियों को सहूलियत होती वहाँ आप को जो रुपये की वसूली है उसमें भी किसी बिस्म को दिक्कत नहीं रहती। मैं चाहता हूँ कि पिल तरह सरकार गुगर, टी, फेब्रिस, वूनन फेब्रिस, टैबेरो वगैरह ताया या चार चीजों को एंडोशनल एक्साइज इन्स्टीट्यूट में शामिल करके

रूपया वसूल करके स्टेट्स को देती है, उसी तरह कुछ दूसरी एसेन्शियल चीजों, जैसे फायरन एण्ड रटील, सीमेंट, कोल, वनस्पति घी, पेपर, पैट्रोलीयम वगैरह, को भी एडीशनल एक्साइज ड्यूटी में शामिल कर लिया जाये। अगर सरकार समझती है कि सारी स्टेट्स अभी तक इस बात को नहीं मानती हैं, तो उसको खासकर रेट्स की तरफ स्टेट्स की तबदीली दिशानी चाहिये। इस बिल का जो असल मकसद है कि कहीं पर कोई बेईमानी न हो, वह अलग अलग रेट्स के रहने से हल नहीं होगा। मैं आप के सामने प्राहिबिशन की मिसाल देना चाहता हूँ। आज हालत यह है कि किसी जगह तो प्राहिबिशन है और किसी जगह नहीं है, जिसका नतीजा यह है कि शराब वगैरह एक जगह से दूसरी जगह स्मगल की जाती है और इस तरह स्मगलिंग बढ़ती है। इसी तरह से अलग अलग रेट्स होने से करेशन और स्मगलिंग बढ़ती ही है, कम नहीं होती है।

मैं जानता हूँ कि मौजूदा हालात में इस बिल से पब्लिक पर बहुत ज्यादा बोझ पड़ेगा और चीजें बढ़ी होंगी, लेकिन चूँकि सरकार को डेवलपमेंट के कामों के लिए पैसों की जरूरत है, इस लिये मैं इस बिल को सपोर्ट करता हूँ। मैं प्रार्थना करता हूँ कि मेरे इन सुझावों पर विचार किया जाये कि एक तो सारी स्टेट्स तकरीबन बराबर हों और दूसरे, जिन एसेन्शियल चीजों का मैंने अभी फिक्स किया है, उनको भी एडीशनल एक्साइज ड्यूटी में रख दिया जाये।

इन शब्दों के साथ मैं इस बिल का समर्थन करता हूँ।

Shri M. L. Jadhav (Ma'egaon): Mr. Deputy-Speaker, Sir, I rise to support the measure that is before the House, the measure on sales tax, which is very equitable because the rich are taxed more as compared to the common man. This is a tax which is according to the purchasing capacity of the individual and as such, I support the general principle.

श्री बेरवा कोटा (कोटा) : उपाध्यक्ष महोदय, हमस में स्वोरम नहीं है।

Mr. Deputy-Speaker: The convention of the House is that within one hour, quorum will not be challenged. We rang the bell at 4 o'clock. Please wait till 5 o'clock.

Shri Hari Vishnu Kamath: Is there a convention like that?

Shri M. L. Jadhav: In principle, I support the measure that is before the House. Articles of daily consumption such as foodstuffs and other things are not taxed. Therefore, the common man who uses these articles as daily necessities is not taxed. Therefore, a person who has capacity to purchase those articles and who is in a better position to pay, he is taxed more. Therefore, I support this measure of sales tax.

Another matter that I would like to bring to the notice of the hon. Deputy Minister is corruption. I feel that there is a lot of corruption in collecting the sales tax. It is no use saying that it is at all levels. I find that service in this department is said to be a very covetable one. I feel that if we compare the tax that is collected and that is not collected or unaccounted for, there is much more evasion than actually we are able to find. Therefore, it is better that the Government should make all possible efforts to root out corruption and at the same time to see that there is no evasion. For that purpose, I may suggest one thing namely that this tax may be collected at the factory level or at the production level or at the root; if that is done, then I feel that we may try to avoid some of the evasion that is possible now.

One more thing that I would like to point out is about the uniformity of this tax. This tax is levied in all the States. As a matter of fact, I

[Shri M. L. Jadhav],

find that the major item of revenue in all the States is the income from sales-tax. When we find that that is the major item I feel that it should be uniform in the various States, and if it is uniform then it may be very convenient for the traders and for the commercial community to pay this tax.

With these suggestions, I welcome the measure that is before the House.

Shri Narendra Singh Mahida (Anand): I think that this is a season of taxes.

Shri B. R. Bhagat: This is the Budget Session.

Shri Narendra Singh Mahida: And we have had enough of these taxes. So, I do not see any reason why this tax burden should be increased on and on. I would suggest rather that Government may levy a Chinese tax and make it ten times more than what we pay and we shall pay it. Let there be direct taxation instead of cumbersome taxes here and there.

The principle of taxes—if my hon. friend the Deputy Minister has read the Arthashastra, he will remember it—is that it should be like bees' collecting of honey from flowers. The bees collect honey from the flowers without damaging the flowers. But here, if we hear the complaints—all the Members have complained about this collection of the sales-tax—we find that the method of collection of this tax is so erroneous and so tiresome and cumbersome to the business classes that they get tired of filling up different forms. Nearly, 70 to 80 per cent of our business people in the villages are people with very little education, and they have to go on filling these forms, and they have to run here and there. And the officials take advantage of their errors, minor errors, and harass them and they have to pay bribes to the officers in order to evade.

So, the people are tired not of the taxes alone but of the cumbersome procedure. I would request the hon. Deputy Finance Minister to make it less cumbersome so that it may be like the collecting of honey by the bees. The art of ruling is very much lacking, and I am sure that the House will agree with me that we are not perfect. Perfection is yet to be attained. With the present methods or ways of collecting taxes, the people always find out ways to evade the taxes. We know this. Yet, we are helpless about it, and we all shout. All the Members who have been in favour of this Bill have also expressed their views about the harassment, but Government never look to that part at all. They are always deaf. That is what has been remarked already; so, it is not that I am casting any aspersion on the Deputy Finance Minister. Democratic Government are always deaf. They have to be roused from this sort of idea of putting taxes whenever they fight in the name of a cause.

It is for this reason that I oppose this Bill vehemently, firstly because the harassment of the people, and secondly because if Government want money they must come out openly and directly. I do not know why Government are shrinking and not imposing direct taxation on the people. As I have suggested already, if they need all this money for defence purposes, let them impose a Chinese tax and we shall pay it. But they are taking advantage of the situation and they are imposing indirect taxes and collecting funds thereby for other purposes. This is a procedure for which the people have objection. I want Government to simplify the methods of collection of the taxes, the filling up of the forms and various other things.

There are sources of revenues, but those revenues should not be burdensome. Since the ruling party is having all the power, and they have the majority of the votes here, therefore,

it is necessary that they must be checked every now and then. It is not as if we are opposing this measure simply because we are sitting in the Opposition and we must oppose whatever measure Government bring forward. That is not so at all. We are with them in any national measure that they want to take. But these are not national measures. These are other measures. Just, the Government want to take advantage of the present situation and to increase the rate from one per cent to two per cent even. They could have done it from 7 per cent to 14 per cent. What could we have done except just raising our voices? They do not care for our voices. The opposition will not be silent. It will be always vigilant and on this vigilance democracy will exist and I want the Deputy Minister to see that such Bills do not come.

Shri Subbaraman (Madurai): Mr. Deputy Speaker, Sir, I would like to tell the hon. Minister certain difficulties experienced in the administration of the Central sales tax. All sales tax officers do not adopt the same method. Certain officers insist on producing a form for every bill. Dealers who send goods find it very difficult to get forms in time and with great difficulty they have to get these forms. So, I would like to suggest that if a form is produced, it may be accepted as quite sufficient for the whole year. If that is not possible, then, say, if a form is given, it should cover sales of at least sums from Rs. 500 to Rs. 10,000. If this is adopted, a great deal of difficulties of the merchants who send goods and so also who receive the goods would be alleviated.

Then, Sir, the hon. Minister was kind enough to give the reason as to why this Bill has been brought forward and why it has been found necessary to revise the sales tax. Of course, the sales tax was there for the last several years and now that the emergency has come and also more funds are required and this increase has been necessitated. At the same time, we are very particular

that the prices of goods should not go up. I am afraid that this increase may affect the prices. I do not know how we are going to face that.

The other thing that I would like to point out is, as you raise the tax, there is always the temptation to avoid or evade the tax. So, more vigilance should be there so that dealers do not evade the tax. Dealers themselves many a time tempt the consumers and consumers become an easy prey to dealers when they get goods, say, 2 per cent or 10 per cent less than what they have to pay. They agree to take goods without a bill. So, there should be more supervision. Anyway, if there is a proper administration of this tax, then the levy need not be so much. That is what I would like to submit.

Another thing that I would like to know from the hon. Minister is, whether the additional revenue which we are going to get from the increase of this tax will all go to the respective States. If that is so, it would be very helpful. With these words, I support the Bill.

Shri B. R. Bhagat: Mr. Deputy Speaker, Sir, in spite of the fact that a number of hon. Members were good enough to participate in the debate and some of them voiced their disgust or disagreement about the provisions of the Bill, I still maintain that there was no occasion for raising any controversy over it because this is a simple and non-controversial measure. The hon. Member who initiated the debate said that the Government was bringing in a new measure. This is not a new measure. We are only proposing to double the rate from one per cent to two per cent. This is not a new measure. This is just an amendment of the existing measure. Then, the hon. Member, Shri Mahida, who is usually very relevant, said, "Why not have a Chinese tax; make it ten per cent. Why are you bringing in one measure of taxation after another?". It has nothing to do

[Shri B. R. Bhagat]

with any defence or any Chinese emergency or anything.

The House should not forget that sales tax is within the purview of the States both with regard to administration as well as the proceeds of the tax. The hon. Member gave instances about this being an instrument of harassment, corruption and all that. Even though they are much exaggerated, there is some scope for agreement that the administration has got to be improved. Corruption has got to be eliminated. It should not be administered in such a way that it becomes an instrument of oppression. But the fact remains that the administration is with the States, not with us.

This measure was brought by us in the House here in 1956. Inter-State trade was growing and most of the States and Centre realised that unless there was some uniformity about the rate of tax and the nature of the tax, inter-state trade would be adversely affected.

Shri Narendra Singh Mahida: What about the statement of objects and reasons?

Shri B. R. Bhagat: I do not yield.

Mr. Deputy-Speaker: It is there.

Shri Narendra Singh Mahida: It speaks of the need to 'tap all available resources'.

Mr. Deputy-Speaker: Order, order.

Shri B. R. Bhagat: That is true. But that does not mean the emergency or the Chinese aggression.

Shri Narendra Singh Mahida: What else does it mean?

Shri B. R. Bhagat: I am rather surprised and amazed at the ignorance of the hon. Member. We are going through a Plan. Even when this emergency were not there, States need resources. Most of the States

are struggling hard to raise resources. Sales tax is a growing avenue of revenue. It has come to assume number one importance in the resources for the States.

Shri Hari Vishnu Kamath: Because of prohibition.

Shri B. R. Bhagat: It has nothing to do with the emergency.

As I said, the State Governments are charged with the administration of this tax.

Dr. Ranen Sen: But this is your responsibility also. You had brought in the original Bill here as also this Bill.

Shri B. R. Bhagat: There is no such responsibility. We can advise them. There are periodical meetings. We discuss problems. It is not our concern. The responsibility is that of the State Governments.

Shri Hari Vishnu Kamath: It is divided.

Shri B. R. Bhagat: In periodical meetings, we exchange ideas about the measures and see how far the administration can be streamlined.

All the grievances as regards administration are not pertinent to mention at this point, except that we should take steps to have a uniform basis, because sometimes the administration becomes vexatious or cumbersome—if the rates are different and if the practices are different in different States. That is why uniformity is one of the methods which would streamline or simplify the administration and remove many of the grievances.

Then a point was made by an hon. Member, who spoke from his personal experience, that the sales tax authorities charge State tax and through some device also charge Central tax. If this is done, it is absolutely illegal in terms of the law. The law clearly

provides that once this tax is levied on one transaction, the State tax cannot be levied on the same transaction. The only remedy I can think of if this has happened—and which the hon. Member as a lawyer himself knows—is recourse to the court of law.

17 hrs.

Another point was made that it would adversely affect trade. We are raising it from one to two per cent and from seven to ten per cent—why are we doing this? I come to the enhancement of tax from seven to ten per cent. That is mainly preventive. We kept that because for luxury goods all the State Governments had revised their rates. It was originally fixed at seven per cent, and that is why we kept it at seven per cent for transactions between unregistered dealers in luxury goods. Now the States have revised it and made it ten per cent, and therefore we have also made it ten per cent. There are two reasons for it. The first reason is that the administration would be simplified. The second reason which the House should appreciate is that it is to prevent evasion, because the bulk of the evasion in sales tax takes place through the device of unregistered dealers whom we are not able to trace. That is why a prohibitive rate of seven per cent was fixed for transactions between unregistered dealers and between unregistered and registered dealers, because that was a loophole through which they often used to evade tax. It is more preventive in nature. There is no revenue from this. Therefore, to say that the rate has been raised from seven to ten per cent and therefore it will result in higher cost is absolutely misconceived.

The Act has been in operation for seven years. We deliberately kept it at one per cent. After six or seven years we have raised it to two per cent for raising some resources for the State. It is not a prohibitive burden. Other taxes are also being raised because the economy is grow-

ing and the States need more and more resources for ploughing it back in investment and developmental purposes. The increase of the rate from one to two per cent may raise the prices to an extent. We ourselves have said that it might adversely affect inter-State, but we have to take that risk. But on the whole the House should appreciate that this is a measure entirely for the benefit of the States. It is with their consent and co-operation and for their benefit we are introducing it.

The point was made: why not centralise all this? Let the Centre take it over by way of additional Central excise as in respect of some other goods. That we can do only if the States agree to it. We tried to bring in more items of goods which are of importance, particularly items of inter-State trade, but the States would not agree to it. They have their own difficulties, because this is the only growing flexible source of revenue to them and they find it difficult to part with it. They have their own problems. If it is converted into additional Central excise, it would be easier from the administrative point of view, and it might prevent some of the loopholes. That is true, but we have to respect the sensibilities, the requirements and difficulties of the States. I would ask the hon. Members to persuade the State Governments to come to some agreement. So far as the Centre is concerned, we have no objection.

Shri Hem Raj: Why not equalise the rates?

Shri B. R. Bhagat: The hon. Member should appreciate that with respect to inter-State trade in items which are of all-India importance, with respect to items which are of special importance and with respect to certain special items where prevention of smuggling or evasion is necessary, we have been able to bring in some uniformity so far as the rates are concerned. Then, to go further

[Shri B. R. Bhagat]

into every State's sales tax and their different rates, would be taking over the entire sales tax administration on ourselves. I think it would not be desirable or possible. It would create a constitutional problem. We have to take that item from the State to the Central List. That is a point not very relevant. I appreciate the force of some of the points. But in the present situation, the Bill has been brought to raise more resources for the States. It is a simple measure. We have raised the rates from one to two per cent and from seven to ten per cent. That is a simple matter of administration and there should be no serious concern exercised about it. Much less should it be a matter of controversy.

Mr. Deputy-Speaker: I shall now put the motion to the vote of the House. The question is....

Shri Hari Vishnu Kamath: For taking a decision, we must have a quorum.

श्री बेरवा कोटा : कोरम नहीं है ।

Mr. Deputy-Speaker: Hon. Members must keep quorum; this is the second time today that there is no quorum. Is there quorum now?

Shri Hari Vishnu Kamath: No, Sir; 51 is the quorum. The strength is 509 Members.

Mr. Deputy-Speaker: The bell may be rung—Now there is quorum.

The question is:

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

The motion was adopted.

Mr. Deputy-Speaker: We shall now take up clause-by-clause consideration of the Bill. I shall put clause 2 to the vote of the House.

Shri Hari Vishnu Kamath: Clause 2 may be put separately in two parts.

Shri Rane (Buldana): There are no amendments.

Shri Hari Vishnu Kamath: I am sorry the Deputy Chief Whip does not know the procedure. I request that sub-clauses (i) and (ii) may be first put together—these clauses which mean a substantive enhancement from one per cent to two per cent and from seven per cent to ten per cent—and the rest of the sub-clauses may then be put to the vote.

Mr. Deputy-Speaker: I do not think it can be split up like that. The question is:

"That clause 2 stand part of the Bill."

The Lok Sabha divided.

Mr. Deputy-Speaker: Are there any corrections?

Shri Liladhar Kotoki (Nowgong): I am for Ayes.

Shri Hari Vishnu Kamath: He has already voted. How can he change it?

Mr. Deputy-Speaker: The hon. Member should not take objection to this.

Shri Ram Ratan Gupta (Gonda): My vote has not been recorded; I am for "Ayes".

Shri S. N. Chaturvedi (Firozabad): My vote has not been recorded; I am also for "Ayes".

Shri Anjanappa (Nellore): I am also for "Ayes"; it has not been recorded.

Mr. Deputy-Speaker: Any correction for "Noes"? I do not see anybody rising.

[Division No. 1]

[17.32 hrs.]

AYES

Aney, Dr. M. S.
 Anjanappa, Shri
 Basappa, Shri
 Bhagat, Shri B. R.
 Bhakt Darshan, Shri
 Bhargava, Shri M. B.
 Brajeshwar Prasad, Shri
 Chakraverti, Shri P. R.
 Chaturvedi, Shri G. N.
 Charan, Shri D. R.
 Colaco, Dr.
 Das, Dr. M. M.
 Desai, Shri Morarji
 Deshmukh, Shri Shivaji Rao S.
 Gandhi, Shri V. B.
 Ganga Devi, Shrimati
 Gupta, Shri Ram Ratan
 Hajarnavis, Shri
 Hem Raj, Shri
 Jadhav, Shri, Tulshides
 Jagjivan Ram, Shri
 Joshi, Shri A. C.

Jyotishi, Shri J. P.
 Karuthiruman, Shri
 Khadilkar, Shri
 Kotoki, Shri Liladhar
 Krishnamachari, Shri T. T.
 Lalit Sen, Shri
 Mahab, Shri
 Mahishi, Shrimati Sarojini
 Mathur, Shri Harish Chandra
 Melkote, Dr.
 Mohiuddin, Shri
 Mohsin, Shri
 Morarka, Shri
 Mukane, Shri
 Naik, Shri Maheswar
 Nehru, Shri Jawaharlal
 Parashar, Shri
 Patel, Shri Rajeshwar
 Pattabhi, Raman Shri C. R.
 Pratap Singh, Shri
 Raghunath Singh, Shri

Raj Bahadur, Shri
 Raiu, Dr D. S.
 Ramakrishnan, Shri P. R.
 Rane, Shri
 Rao, Dr. K. L.
 Rao, Shri Thirumala
 Sharma, Shri D.C.
 Shastri, Shri Lal Bahadur
 Sidheswar Prasad, Shri
 Singh, Shri D. N.,
 Sinha, Shri B. P.
 Subbaraman, Shri
 Tiwary, Shri D. N.
 Tiwary, Shri K. N.
 Tombi, Shri
 Upadhyaya, Shri Shiva Datt
 Varma, Shri Ravindra
 Venkatasubbiah, Shri P.
 Vidyalkar, Shri A. N.,
 Virbhadra Singh, Shri
 Yadava, Shri B.P.

NOES

Bhattacharya, Shri Dinan
 Buta Singh, Shri
 Daji, Shri
 Gupta, Shri Kashi Ram
 Kamath, Shri Hari Vishnu

Mahida, Shri Narendra Singh
 Muhammad Ismail, Shri
 Mukerjee, Shri H. N.
 Murmu, Shri Sarkar
 Rameshwaranand, Shri J

Roy, Dr. Sardish
 Sen, Shri Ranen
 Sezliyan, Shri
 Singh, Shri Y. D.

Mr. Deputy-Speaker: The result of the division is as follows:

Ayes 64; Noes 14.

The motion was adopted.

Clause 2 was added to the Bill.

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

Shri B. R. Bhagat: I beg to move:

"That the Bill be passed".

Mr. Deputy-Speaker: The question is:

"That the Bill be passed".

The motion was adopted.

"That the first proviso to Rule 74 of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to the motion for reference of the Bill to provide for Legislative Assemblies and Councils of Ministers for certain Union territories and for certain other matters to a Joint Committee of the Houses be suspended."

Sir, I have already applied to you for permission. I submit that the motion to suspend the rule may be put to the House.

Mr. Deputy-Speaker: Motion moved:

"That the first proviso to Rule 74 of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to the motion for reference of the Bill to provide for Legislative Assemblies and Councils of Ministers for certain Union territories and for certain other matters to a

17.17 hrs.

SUSPENSION OF FIRST PROVISOR
 TO RULE 74.

The Minister of State in the Ministry of Home Affairs (Shri Hajarnavis): I beg to move: