

# GST Seminar Held on 23rd May, 2017 at State Museum Hall, Guwahati, Assam

MAY 23, 2017

**Welcome Address:** Director, GMA Mr Tamal Sen Welcomed the Guests, Invitees, officials and other participants in to the Seminar. He requested Mr S.B.Sarmah, Mr Chranjib Chaliha, Mr Rakesh Agarwala and Dr Debasish Mitra to occupy the Dias.

**Mr Subhabrata Sarmah**, Vice President, GMA presided over the meeting.

Mr D.N.Barua, President, GMA in brief welcome speech, Welcomed the participants and said that back to GMA after a lapse of more than 3 months due to his illness, he was overwhelmed to see that his colleagues in GMA is doing lots more than him. He clarified that the responsibility of GMA is placed at different perspective in the North east as compared to the LMAs in the other States due to different status and implications of the terms "Start Ups", "Smart City" "Skill Development" in the in the Northeast. More important being GST. He said "Yes" to the growth of GDP as exports have increased and quality of production not deteriorated.

Ms MamoniBarthakur, Director, GMA felicitated the Guests with traditional Gamocha and flower bouquet. Mr ChiranjitChaliha, Vice President, GMA delivered introductory speech on the topic.

Mr O.P.Dahima, Director, GMA, gave brief introduction of Dr DebasishMitra, MD of D.Mitra& Co. and welcomed him for his presentation on GST.

Mr D.Mitra, CA and Tax Consultant, MD of D.Mitra& Co. introduced GST as has been passed by 11/14 states by then, 160 countries in the world already have GST, a destination based Tax, i.e, if goods supplied from Kolkata to Assam, GST will be collected at Kolkata, GST was notified on 12-09-2016 and therefore, must be rolled out within its one year currency. The threshold limit is Rs 10 lakhs for Assam and other special category states and Rs 20 lakhs for other states. The GST rates are 5%, 12%, 18% and 28%. A cess over 20% - Sin Tax for 5 years. The unique difference of the GST in India as compared to other countries having only single GST, Indian GST is Dual GST. State GST ( SGST), Central GST(CGST), Inter State GST(IGST) Union Territory GST(UTGST).

## **Benefits of GST:**

1. Overall reduction of prices for customers.
2. Reduction of multiplicity of taxes, cascading and double taxation.
3. Uniform rate of Tax
4. Broaden Tax Base and decrease in "Black Transaction"
5. Non Inductive Electronic Tax compliance System.
6. Subsuming of all taxes in the existing Tax structure under one GST
7. Petroleum products, Liquor kept outside GST

The latest development in the meeting on 18th & 19th May, 2017 identified 1,211 commodities of which 81% are taxed at below 18% and the balance above 18%. Tax of gold & other precious metals besides six items such as packaged foods, footwear and textiles in the next meeting.

## **Is GST good for the country?**

- Consumption level will go down as electronic based.
- All Taxes subsumed – complicity goes away
- 3 to 6 months uncertainty – nothing comes without uncertainty.

Mr Rakesh Agarwala, Joint Commissioner of Taxes, Govt of Assam, in his deliberation, add the following:

### **What is GST?**

As per Article 366 of the Constitution, GST is a single Tax levied on Supply of Goods and Services right from manufacturer of the Consumer. GST is known as a Tax only on value addition which is achieved through the benefit of Input Tax Credit(ITC) of the Tax levied at the previous stage with the following features:

- Seamless flow of credit
- Supply chain
- A common tax base across all the states
- No differentiation is made between goods & Services
- Consumption Tax based on destination principle meaning thereby that revenue would improve.

### **Why GST?**

1. Short comings of the present system
2. Anomalies of the present system
3. Service Tax and VAT – why both.

GST was recommended by Kakodkar Committee in the year 2003. Bill was prepared, presented and passed finally as 101st amendment to Constitution of India in 2016, giving concurrent power to Center and the States on Taxation.

### **Why so long for introduction of GST?**

The states were apprehensive of loss to the tune of 1,200 to 1,900 crores with the roll out of GST and was at a dilemma. Amendment 18 of the Constitution provided for compensation of any loss of the states by the Centre, if occurred, with the introduction of new GST. Year 2015-16 taken as base year for compensation. Accordingly, 14% compensation identified for Assam.

The GST Council: Pursuant to Article 279A, Goods & Service Tax Council has been constituted. The GST Council is a joint forum of Centre and states with the states having equal voting right. The council functions under the Chairmanship of the Finance Minister, Govt of India.

### **Advantages of GST Business and Industries:**

- Single Tax
- Single Route
- Removes cascading effects
- Creation of common National Market
- Tax credit across Goods & Services and Inter State supply.

Q&A Session: Q&A session was very interactive with participants wanted to know the details of the formulations, implications and modus operandi of the new GST regime with its roll out from July, 2017. Both the speakers patiently listened to the questions and answered consistently to through adequate lights on the issues and clear their doubts.

**The questions included among others:** 1. Tea and Tea Auction Center started in 1970 at Kolkata. Govt of Assam gave some incentives. Job work in the industry full time. Materials given by owner. Since the e-bill has to be uploaded on the same day, how to go about these items in the process which will not have direct bearing in the GST.

2. Once the system is introduced, what will be the implications and face the new system?
3. Who needs to register for GST?
4. Who needs to pay GST?

