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A fresh start: On the Goods and Services Tax Council meet

The GST Council must not lose sight of broader reforms

The Goods and Services Tax (GST) Council was **convened** last week for the first time in nearly nine months. With 11 new State Ministers on board and a **recalibrated** NDA government at the Centre, the Council began afresh with a loaded agenda of clarifications, **tweaks**, **forbearances**, and other procedural changes, based on industry feedback and **vetted** by officials, that awaited its nod. Acknowledging that it could not conclude deliberations on all that had accumulated on its plate, the Council has resolved to meet again in August to take up the rest of the items. Yet, it is quite creditable that the Council could, over an afternoon preceded by Union Budget consultations with States, arrive at a consensus on a **flurry** of issues aimed at easing the lot of taxpayers, reducing **litigation**, and even providing tax relief on some items. To help students, hostel accommodation costing up to ₹20,000 a month has been exempted from GST altogether, along with railway services availed by passengers. A uniform 12% rate has been approved for packing cartons, milk cans, and solar cookers, doing away with confusing classification differences based on material or technologies.

Apart from several industry-specific measures, a few of which will kick in with **retrospective** effect, the Council also opted to waive interest and penalty on tax dues for the first three years of GST, provided they are paid by March 2025. Moreover, it lowered the stipulated pre-deposits for filing appeals, including

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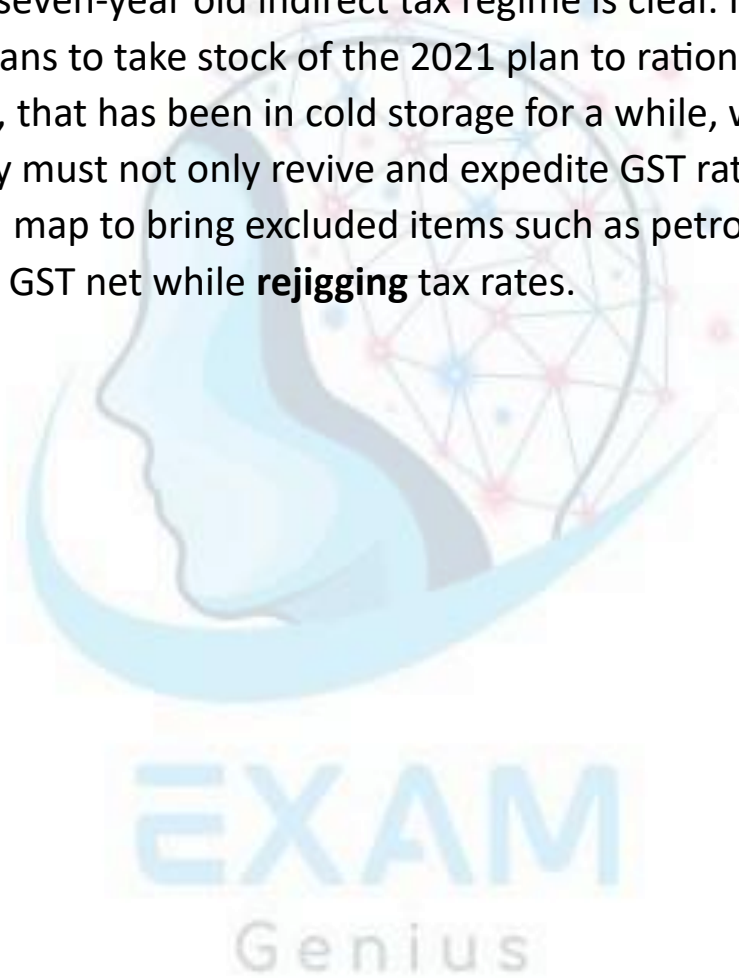
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those that will be filed with the upcoming GST Appellate Tribunals, and approved a new form for taxpayers to correct errors or oversights in previous returns. Beyond nitty-gritties, the Council also signed off on ending the anti-profiteering clause that required firms to pass on any tax cut gains to customers, and mandating biometric-based Aadhaar authentication for all GST registrations in a phased manner across India. The former will **quell** a difficult-to-implement industry irritant, and one hopes the latter will effectively ease the registration process that some say has become cumbersome in recent times, while curbing fraud **perpetrated** through fake invoicing. The ground-level impact of these moves may depend on the fine print that may follow, but the intent to simplify and **declutter** the seven-year old indirect tax regime is clear. It is refreshing that the Council also plans to take stock of the 2021 plan to rationalise the multiple-rate GST structure, that has been in cold storage for a while, when it meets next. The apex GST body must not only revive and expedite GST rate reforms but also incorporate a road map to bring excluded items such as petroleum and electricity into the GST net while **rejigging** tax rates.



Vocabulary

1. Convened

Synonyms: gathered, assembled, summoned

Antonyms: dispersed, dismissed, scattered

2. Recalibrated

Synonyms: adjusted, realigned, readjusted

Antonyms: misaligned, destabilized, disarranged

3. Tweaks

Synonyms: Adjustments, modifications, refinements

Antonyms: Stabilizes, fixes, solidifies

4. Forbearances

Synonyms: patience, tolerance, restraint

Antonyms: impatience, intolerance, indulgence



5. Vetted

Synonyms: verified, checked, screened

Antonyms: unverified, unchecked, unexamined

6. Flurry

Synonyms: gust, burst, fluster

Antonyms: calm, stillness, tranquility

7. Litigation

Synonyms: lawsuit, legal action, court case

Antonyms: arbitration, settlement, mediation

8. Retrospective

Synonyms: reflective, contemplative, backward-looking

Antonyms: prospective, forward-looking, anticipatory

9. Quell

Synonyms: suppress, extinguish, subdue

Antonyms: provoke, incite, inflame



10. Perpetrated

Synonyms: committed, executed, carried out

Antonyms: prevented, stopped

11. Declutter

Synonyms: Simplify, organize, streamline

Antonyms: Clutter, accumulate

12. Rejigging

Synonyms: rearranging, reorganizing, restructuring

Antonyms: maintaining, preserving

