

## SEZ Rules to be amended to sync them with GST laws

New rules will be out by the end of the month

### OUR BUREAU

New Delhi, July 24

The Centre will come out with amendments to Special Economic Zones (SEZ) Rules, to synchronise them with the Goods and Services Tax (GST) laws by end of this month, a senior government official has said.

"We have been working for a few months on the amendment of SEZ Rules, 2006 to synchronise it with the GST laws. Following due consultation process with the Department of Revenue, I am glad to tell you that this fairly elaborate amendments of the rules is likely to come out now by the end of this month. It is almost at the final stage," said Bidyut Behari Swain, Additional Secretary, Department of Commerce, at an Assocham Interna-

**The Department of Commerce consistently looks at facilitating ease of doing business by removing bottlenecks**

tional SEZ Investment Summit on Tuesday.

Swain said while the Department of Commerce consistently looks at facilitating ease of doing business by removing bottlenecks, it was observed that there is a possibility of different authorities handling administrative and financial matters being at slight variance with each other, according to an Assocham release.

### Clear guidelines

"We have taken up a project in which we would like to have a very clear set of guidelines regarding how administrative and financial matters by the authorities are carried out and we

are hopeful that we will come out with a report in two months which should be implemented in three months," he said. Pranab Kumar Das, Special Secretary and Member Customs, Central Board of Indirect Taxes and Customs (CBIC), said his department will get in touch with the Commerce Ministry to explore possibility of connecting SEZ Online with National Import Database (NIDB) for better uniformity and transparency in operations, the release added.

"We will definitely get in touch with Ministry of Commerce and try to find out whether the SEZ Online can also be housed in our system and with facilities provided to development commissioners and officials posted there so that they get benefit not only from SEZ Online but also the robust facility that is already available within CBIC," said Das.

## TAX COMMISSIONER FLAGS

# 'GST revenue shrinks by 14% vis-à-vis VAT collection'

EXPRESS NEWS SERVICE  
AHMEDABAD, JULY 24

A YEAR after the implementation of the Goods and Services Tax (GST), the Gujarat government's revenue collection has started plummeting. In the first year of the GST coming into effect, Gujarat recorded a shortfall of 8 per cent in its revenue collection as compared to the revenue that it collected under the earlier VAT (Value Added Tax) regime.

The gap between the revenue collection in the GST and VAT regimes has further widened to 14 per cent in the first three months of the 2018-19, said P D Vaghela, Commissioner of State Tax.

"You will be surprised to know that my (state's) revenues have gone down. If you consider the VAT regime and the GST regime, my (state's) revenue has gone down by 8 per cent (during the period between August 2017-March 2018) last year. This three months (April-June 2018), the dip in revenue is about 14 per cent," Vaghela said at a seminar on GST organised by ASSOCHAM here on Tuesday.

A day ago, the 15th Finance Commission had red-flagged Gujarat's growth, saying that the continued momentum of the "impressive" growth of 12 per cent recorded by the state for the past 10 years "depends on exogenous uncertainties" like the GST. The Commission had pointed that as per the projections of the Gujarat government, the 14 per cent growth guaran-

teed for the first five years of the GST is likely to be sustained.

When asked to comment on it, Vaghela, however, said, "After five years, it will become difficult for states like Gujarat. However, it has not affected Maharashtra."

Vaghela, who as a part of the GST implementation committee, also opposed the move to shift many items from the 28 per cent GST slab to 18 per cent slab.

"Only 31 commodities are left in the 28 per cent tax slab. There are some commodities which people might say should be taken from 28 per cent to 18 per cent. But they should understand that in the pre-GST days, of the total revenue we (Gujarat) were getting, 70 per cent of the revenue came from these commodities. Just imagine what will happen to Gujarat," he said, days after the GST Council approved reduction of tax of 88 consumer-centric products, including cosmetics, refrigerators, washing machines and small screen TVs.

When GST was rolled out last year there were 226 items in the 28 per cent tax bracket.

Vaghela said that before the GST regime kicked in, people were paying 30.5 per cent tax for commodities that are currently in the 28 per cent tax slab.

"More than one year has passed and there are many criticisms. But within our heart we know that the GST has stabilised. You will be surprised to know that we have made 49 changes and 47 of them are trade-friendly," the IAS officer added.



## State's GST revenue down 14% in Q1 of 2018-19

**Ahmedabad:** The revenue of the Gujarat government through goods and services tax (GST) has declined by 14% in the first quarter of financial year 2018-19, according to the state commercial tax department.

Addressing the inauguration of a national seminar on GST, organised by the Associated Chambers of Commerce and Industry (Assocham) in Ahmedabad on Monday, P. D. Vaghela, the state commercial tax commissioner, said the state's revenue declined in the April to June 2018 period.

"In these three months, revenue has declined by 14%, compared to the same period in 2017," said Vaghela.

Estimates by sources in the state commercial tax department indicate that revenue i.e. state GST (SGST) plus settlement through Integrated GST (IGST), stood at Rs 7,700 crore in the April to June quarter of FY 2017-18. Against this, the revenue of the state government through VAT returns that were later subsumed under GST, was Rs 6,200 crore in the same quarter of FY 2017-18.

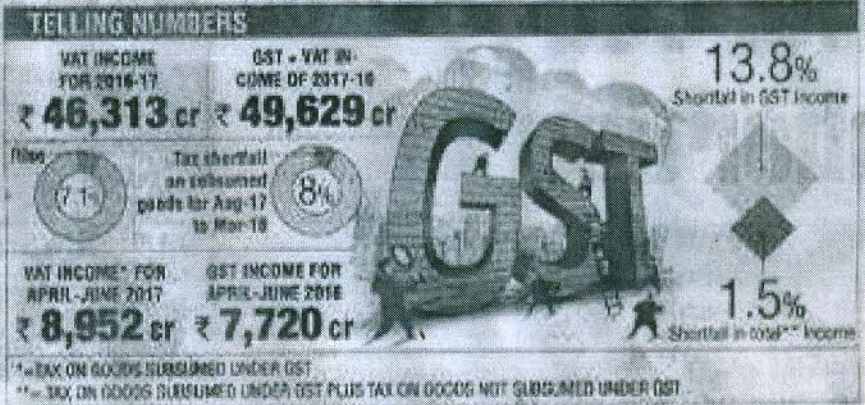
# Biz hit: Q1 GST revenue dives 14% to ₹7,720 cr

GST collections not as robust as the state government had expected

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Gujarat government collected Rs 7,720 crore in Goods and Services Tax (GST) for the April-June period of the 2017-18 fiscal, which is lower by 13.8% compared to revenue generated by the Value Added Tax (VAT) on the same category of goods for the same period in the previous fiscal, says a data released by the state government. This poses a challenge for tax administration to mop up resources. Officials say they are finding ways to ensure revenue growth.

According to the office of Commissioner of SGST in Gujarat, GST collections (SGST plus CGST) for the first quarter of the fiscal 2017-18 stood at Rs 7,720 crore, a drop of 13.8% compared to the collection of VAT on same items for the corresponding period in fiscal 2016-17. However, if we consider tax collection on goods not subsumed under GST, like petrol, diesel and liquor, the shortfall in collection drops to 4.5%.



This indicates that GST collection continues to be lower than VAT on subsumed goods. For the period of August 2017 to March 2018, the shortfall was 8%, compared to the same period in 2016-17. However, if we consider tax collection on goods not subsumed under GST, the shortfall in collection almost vanishes. But then there was no growth either.

Officials attribute the fall to lower tax incidence under

GST regime compared to previous VAT regime. "People are making a hue and cry about 28% tax. But the cumulative tax on most of these goods was about 20.5%. If we consider Excise, VAT, and a host of other taxes. With tax now reduced from 28% to 18%, it is bound to decrease the revenue," said PD Vaghela, commissioner of SGST in Gujarat, while delivering a lecture at a seminar organised by ASSOCHAM in the city on Tuesday.

Although falling revenue is a matter of concern, tax officials in the state are hopeful that as the year ends, the shortfall will be minimised with the rise in the tax base. For the first five years of GST, the state will get compensation from the Centre to the tune of an annual rise of 14%. "However, the condition of the central government is worse, as it will not get any compensation like the one states are getting," said Vaghela.



## (GSTના દર ઓછા) કરાતાં કેન્દ્રની આર્થિક હાલત ખરાબ

ભવન્ય વધુના ભયભર

જામ્બોસ્ટીના નિયમો તેમજ ટેક્સ રેટમાં કન્સર્નમાં આવેલા ઘટાડાના કારણે રાજ્યની આવકમાં ગત વર્ષની સરખામણીએ 8 ટકાનો ઘટાડો થયો છે. જામ્બોસ્ટી કાર્ટિનિયલ નાના ઉદ્યોગો અને એમએસએમઈને પ્રોત્સાહિત કરવા અને તેમની જરૂરિયાતને પ્લાનમાં રાખીને સરકારી નીતિઓ તૈયાર કરવામાં આવશે, મંગલવારે પી એસએસએટી, વેબ્સર્સ ઓફ ડોમર્સ એન્ડ રેન્ડમ્લી ઓફ ઈન્ડિયા (એસએમ) દ્વારા મંગલવારે જામ્બોસ્ટી સંબંધિત સંબંધિત સોટલ પ્રાર્થનામાં આયોજન કરવામાં આવ્યું હતું. જેનું ઉદ્ઘાટન સ્ટેટ ટેક્સ કમિશનર પી. ડી. વાધેલ દ્વારા કરવામાં આવ્યું હતું. તેમણે જણાવ્યું કે, વપુરિયોગ, કામદા ઉદ્યોગ અને વેપારીઓને લગતા પ્રશ્નો અને મુશ્કેલી રાજ્ય સરકાર પસંદગીથી વેબ સરકાર અને જામ્બોસ્ટી કાર્ટિનિયલ સમક્ષ મુકશે.

