

Exporters seek easy GST compliance in enabling laws

Congratulating the government for building a political consensus on Goods and Services Tax Constitutional Amendment Bill, the EEPC India today said while the measure would help the country's manufacturing, exporters are likely to face implementation difficulties if the Model GST law is adopted.

"While implementation of GST will be a major indirect tax reform that cuts across both Central and State level indirect taxes, exporters may be allowed in the enabling laws which will follow the Constitutional Amendment Bill, not to pay taxes in the first place itself, rather than claiming refunds at a later stage," EEPC India Chairman Mr T S Bhasin said.

He said the process of refund which shall take not less than 5/6 months and may go beyond any time. Even we consider 6 months on average the impact will be requirement of additional working capital. The purchasers will now have to ensure that their vendors have robust IT infrastructure and compliance process, so that the vendors do not default on timely and appropriate payment of taxes.

There is a very benevolent provision of centralized registration in service tax. Thus, a service provider can take a single registration for providing services across the country. This is now sought to be done away with. Now, a service provider operating in various states will have to obtain registration in each state. This will not only increase the burden of obtaining so many registrations but will also increase the compliance burden manifold. On a rough estimate, service provider operating in many states will have to file 4.5 times more returns than being currently filed under service tax and VAT taken together he said.