

Eye Share : 5 Key Changes Expected in GST

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Rolled out in July 2017, GST was a seismic shift in not just the tax laws of India. Its implementation was likened to sailing the ship while it was being built, and the past 3 years have proven it so. Author **Mr. Sundeep Gupta (Partner - Accounting & Business Support, Indirect Taxes, ASA & Associates LLP)**, highlights that even after more than 500 notifications, circulars and changes till now, GST, at best, is still work-in-progress.

Outlining the myriad issues plaguing the taxpayers, the author in his crisp write-up lays down 5 such issues which need to be addressed. To enable the flow of credit properly, the author envisages that all credits inextricably linked to business activities must be allowed. Tagging the Anti-profiteering as artificial control, the author views same as “more of a hinderance and harassment than of any significant benefit to the consumer”. As regards Advance rulings, the author emphasizes, instead of contradictory ruling of different States there must exist a central mechanism.

Article



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While the benefits cannot be denied, the myriad of issues plaguing the tax payers need to be addressed. To my mind, the top 5 would be:

- 1. Flow of tax credit:** Strongly propagated as the law which will eliminate tax-on-tax, it remains far from it. Blocked credits need to be weeded out to provide a seamless credit chain and eliminate double taxation. All credits inextricably linked to business activities must be allowed.
- 2. Anti-profiteering:** No doubt an honorable intent from the legislature, it is now high time that the economic forces should be allowed to prevail. This artificial control is now proving to be more of a hinderance and harassment than of any significant benefit to the consumers. The provision should be off the rule book now.
- 3. Advance Rulings:** Meant as a pro-active solution, this has contrarily proved to be a means of protracted litigation. The absence of a Judicial Member has resulted in rulings which force the legal experts to go back to the drawing boards to understand the basics of legal tenets. Contradictory rulings by different States also add to the pot of confusion. A central mechanism as against the decentralized one now, will smoothen the road ahead.
- 4. Monthly returns:** GSTR-3B return, meant as a stop-gap arrangement, has lasted beyond its expected life. Creating enormous confusion due to its design, and its inability to provide for any rectifications, has resulted in the gargantuan task of reconciliations for the smallest of errors. The original proposed design should be put in place sooner than soon.
- 5. Invoice matching:** In spite of technology available, the government still decided to make tax payers responsible for invoice matching and claim of tax credits. Unfair! The buyer should be permitted to claim based on the proper tax invoice issued by seller and using technology will make this simple.

All in all, miles to go before we sleep, applies here. But the trick is to keep moving, keep the ship sailing, and keep it building.