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Title: Need to simplify the filing of returns and increase the exemption threshold under GST.

SHRI V. ELUMALAI (ARANI): The rush to implement GST regardless of whether India's six crore small traders are ready, makes it most difficult tax reform to accept and adopt. The current tax structure is rather unwieldy as GST regime has seven effective tax rate slabs instead of the much proclaimed 'One Nation One Tax formula. Businesses will have to undertake 37 annual filings (three a month plus an annual return) for each state the firm operates in. With the unorganised sector shifting to the organised sector, a significant labour absorption capacity that currently exists may get eroded. This can compound the already chronic problem of job creation and unemployment in India. There is need to simplify the process of GST filing.

It is very sad to note that the Government has fixed GST on Kadalai Mittai, Peanut candy and Pickles at 18%. Likewise the GST on wet grinders, gadgets for physically challenged and the sanitary napkins are high. The Government should make these items as zero tax items for the benefit of people and respective sectors.

India has roughly six crore small firms, out of which a little over four crore firms don't own a computer or are not digitally literate. Operating costs are about to go up as business owners will have to hire accountants and computerise their operations. Under the GST regime, thousands of hitherto informal or unorganised MSMEs will shut shop for falling into the tax net. There is a need to increase the exemption threshold to one crore instead of 20 lakhs to protect MSME sector.