

## Chapter-VI

### Conclusions

There is plenty of literature available on internet on the topic of GST. However, various discussions, research papers etc. through light on the legislative challenges, rates to be adopted, objections by the States, revenue loss by the States etc. There is absolutely neither literature available nor any discussion held, on the possible administrative challenges in the GST regime. The different administrative hierarchies of the Centre and the States would definitely pose a challenge in bringing out the harmony. Looking at an international picture is of little use as only two countries viz., Brazil and Canada have dual GST regime. I have analyzed the Canada Model in this paper. Canadian Model itself gives a challenge in the sense that there are three types of Models working within the dual GST, depending on the province. The situation in India is more complicated in view of the number of States, their size and strong regional political centres. The administrative hierarchy in these States not only differs from the Centre but also among them. For the purpose of the study, I compared the State of Andhra Pradesh and Gujarat Sales Tax Department with the Centre. The comparison of administrative hierarchy throws up many challenges as there is only Commissioner as Head of the Department in the states and at the Centre, there are many Commissioners/Principal Commissioners in each State. The appellate and revisionary powers also vastly vary. The first appellate stage is the level of Deputy Commissioner itself, whereas at the Centre, the first appellate stage is at the level of the Commissioner (Appeal). There is no equivalent post of Commissioner (Appeal) in the State. With these challenges, the paper proposed a Model to bring in administrative harmony between the Centre and the States in the GST regime. As there is no Grade Pay concept in the State of Andhra Pradesh, for the purpose of comparison, the Centre

and the Government of Maharashtra Sales Tax Department Grade Pay were taken. While there are many Pros with reference to the Model, there are many challenges also, both foreseen and not foreseen. Hence, the recommendations also included setting up of a GST Board to thrash out differences between the Centre and the States on administrative issues. While GST Council is involved in policy and legislative matters, it is hoped that the GST Board would look into all the administrative issues. The proposed lateral entry method between the Centre and the State Tax Services may bring about the desired harmony.

The introduction and implementation of GST will be the most significant tax reform in recent times. The Central and State departments in India because of so many check points in India compared to the Europe may not improve involvement have to be fully geared up with a common sense of purpose and understanding of the entire process at all levels to be able to make this happen. It may be pointed out that the lower truck utilisation even after GST , as CST is still there for few years and the approach of checking every truck as at check point needs to be parted with. In Sweden , in spite of taxes at local levels , the trucks do not stop at check points. There is already clear expectation from GST in the form of increase in GDP growth by 1-2 percentage points, doing away with troublesome multiplicity of taxes, standardization of processes and procedures, near equalization of tax rates, creation of a common market in the real sense of the term, removal of physical bottlenecks like check posts. The departments will not only have to focus on rules and procedure, it also needs to give due importance to organization so that the new institution is able to meet the aim of ease of business environment and can mold itself for ever changing business environment in future.