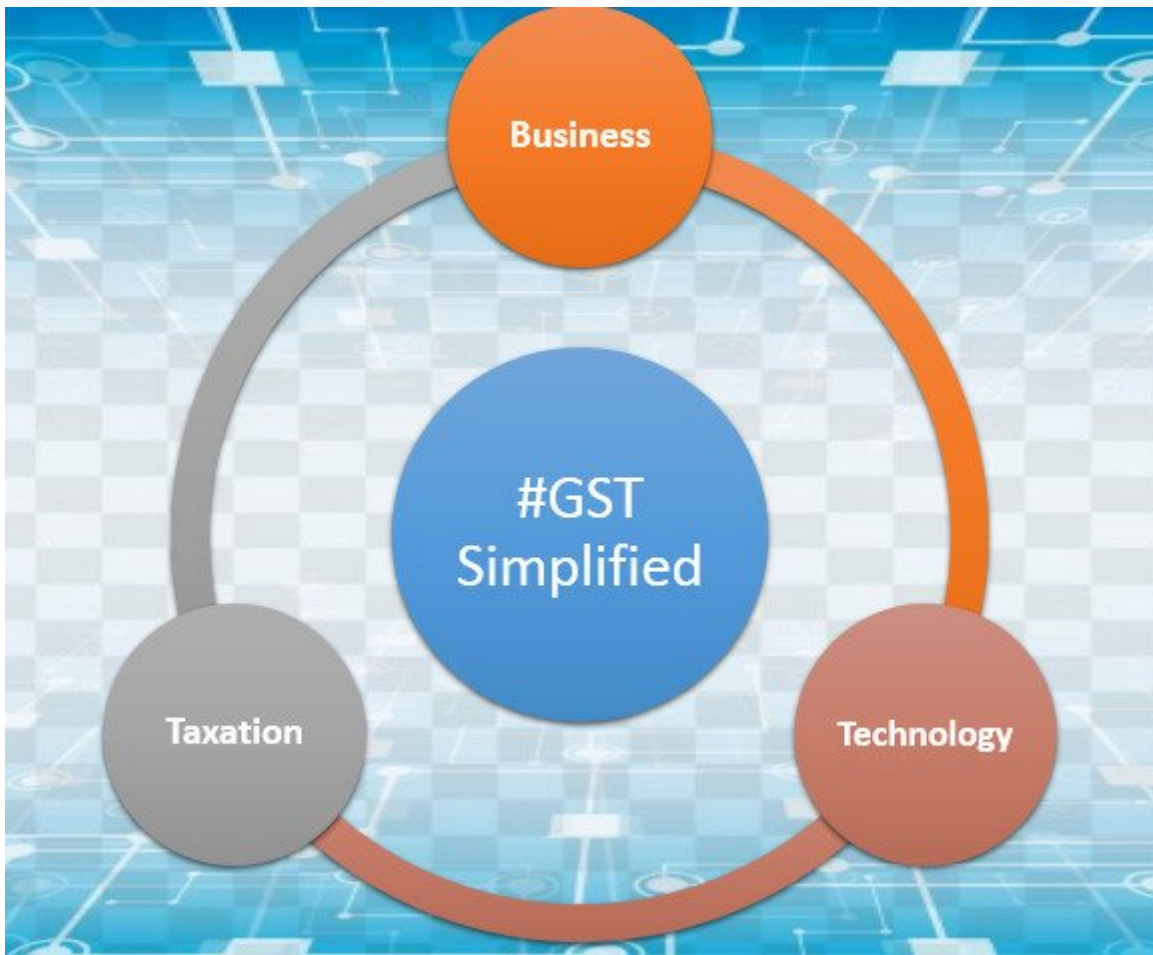




Simplification of GST

13 JAN,2020 | MEDC



India's GST has not (yet) delivered the desired results, and it needs immediate simplification and further rationalization. Many important goods and services (energy and electricity being notable examples) continue to be exempt at the insistence of vested interests. This makes other items shoulder an unfair share of the tax burden. The GST continues to have four slabs, and this plethora of rates reduces some of its self-regulatory benefits. Multiple tax rates also add to the administrative complexities of GST. In an economic slowdown, the states become naturally restive about compensation, and the consensus is harder to achieve. To realize GST's full potential, the entire economy needs to be debugged and made more business-friendly. GST is not just about rates and coverage, but it is truly a unique system of financial engineering that could be skillfully deployed to boost national economic growth.

**Photo Credit: Google*