

PRESS RELEASE

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GST MEANS – CUMBERSOME TAXES & RUNAWAY INFLATION

'ROTI, KAPDA AUR MAKAAN' HIT HARDEST BY CURRENT GST

TRADERS BEATEN MERCILESSLY FOR SHOWING THE 'MIRROR OF TRUTH'

A NEW 'INSPECTOR RAJ' WILL RULE THE ROOST

Congress Party has demanded that the highest tax slab under GST regime should be 18% and not the absurd rate of 40% imposed by BJP.

Present GST imposes back-breaking taxes, is cumbersome to the common trader & businessman, besides causing runaway inflation, said AICC Media Incharge & senior Congress Leader, Mr. Randeep Singh Surjewala today while addressing a '**Traders Sammelan**' under the aegis of '**VYAPAR BACHAO – DUKANDAR BACHAO**' at Kaithal. He said that, "UPA's GST was simple, transparent and uncomplicated taxation on goods and services with a cap of 18% highest rate, while BJP's GST exactly the opposite. Presidents and representatives of traders, shopkeepers, businesses from over 30 cities participated in this well-attended 'Traders Sammelan' to oppose GST.

Mr. Surjewala said that in the name of 'One Nation, One Tax', the present GST brought by BJP is extremely tedious & highest in the world with 7-tier tax structure (0.25%, 3%, 5%, 12%, 18%, 28%, 40%). It will hit out at livelihood of shopkeepers, traders, micro & small businesses, farmers and common man of the country. On top of it, State governments have been given the discretion to impose additional taxes in different shapes, as has been done recently by the Governments of Tamilnadu and Maharashtra by imposing 'Vehicle Registration Tax' and 'Entertainment Tax on Cinemas' over and above the GST. On the other hand, Congress was committed to one tax rate (with three slabs) with a cap of 18%, Mr. Surjewala added.

"BJP's GST is a complicated maze of multi-tier tax structure requiring 37 Returns to be filed by every tax payer per year. In case, a tax payer is doing business in all 36 States/Union Territories, it will be 1332 Returns, which is shocking", he said.

Massive Taxation for Goods of Mass Consumption

Highlighting the GST provision, Mr. Surjewala questioned BJP Government's motive of taxing all aspects of 'Roti, Kapda and Makaan' in an excessive fashion. Citing an example, Mr. Surjewala asked Prime Minister, Shri Narendra Modi and FM, Shri Arun Jaitley as to what is the justification for excessive taxation of daily use items like Shampoos, Deodorant (28%), ACs/TVs/Washing Machines (28%), Furniture (28%), Computers/Multi-functional Printers (28%), Small Cars (28%), Movie Tickets above Rs.100/- (28%), EMI on Vehicle (28%), Cement (28%), Chess Board/Yoga Mat (28%), Food & Beverages (18%), Payments through Credit Cards & all Banking Services (18%), Insurance Premium & Financial Services (18%), Telephone/Cell Phone Charges (18%), Helmets (18%), Coaching Classes (18%), Tour & Travel (18%), Educational Institutes & Hospitals (18%), Entire Construction Sector (18%), Ice Cream/Hair Oil/Tooth Paste/Soap/Soups/Corn Flakes (18%), Textile/ Manmade Fiber/Dyeing/Embroidery (18%), EMI on Home Loans/Consumer Durable/Medicines/Insurance (18%), Photo-Voltaic Cell (18%), Mineral Water (18%), Sanitary Napkins/Tampons for Women (12%), Dialysis/Blood Test/X-ray/Ultrasound etc. (12% to 18%), Clothes/Footwear above Rs.1000/- (12%), Tea/Coffee/Butter/Biscuit/ Curd/Sweets/Juices (12% to 28%) and Wheel Chairs for Physically Challenged (5%).

Mr. Surjewala also questioned the arbitrariness in fixing certain rates. Does it make sense to tax mineral water at 18% even when caviar and prawns are taxed at 12% or even when exotic imported fruits and vegetables are taxed at 0%, he asked? Similarly, what is the justification for taxing almonds and dry fruits at 12% and cashew nuts at 5%, he questioned? Already, there is an increase of Rs.32/- on domestic gas cylinder.

Textile Sector worst hit

Mr. Surjewala said that textile sector is the second biggest job generator after agriculture. They are the hardest hit by distorted duty structure of GST, which can wipe out the living subsistence of millions of micro, small & medium manufacturers, traders, cloth merchants and shopkeepers. Mr. Surjewala particularly questioned tax on man-made fiber and yarn, dyeing & printing and embroidery at 18%, while rate of the end product i.e. fabric is only 5%. This will be death knell for the medium, small & micro non-integrated textile players, while helping the big fish in textile sector to make huge profits. What is deeply shocking is that while Indian fabric manufacturers will pay such high taxes, BJP Government has permitted import of fabric from China, Bangladesh, Sri Lanka and other countries at 5% only, which will further erode the viability of textile sector in India, Mr. Surjewala added.

Agriculture Taxed – Anti-Farmer Face of BJP Exposed

India's farmer is already reeling under the lack of appropriate MSP and a cycle of indebtedness. Current GST seeks to further tax the farmer and agriculture sector, Mr. Surjewala said. Fertilizers attract 0% tax in most States. 'First, BJP imposed 12% tax on fertilizer and after protest by Congress Party reduced it to 5%. Why any tax should be imposed on fertilizer, Mr. Surjewala asked?

Similarly, GST of 28% has been imposed on pesticides in a completely insensitive fashion with a view to tax the agriculture. Why has this decision been taken, Mr. Surjewala asked?

To top it, a 12% GST has been imposed on tractor and all other agricultural implements. In disguise, a 28% tax has been imposed on tyres, tubes, engines and transmission parts of tractor and all other agricultural implements making the effective tax to be 28%. This is the classical double speak of BJP, Mr. Surjewala said.

Petroleum Products be brought in GST purview to give relief to common man

Mr. Surjewala demanded that petroleum products should be brought under GST. He said that the oil refineries cost of petrol-production is Rs.23.03 per litre but it is sold at Rs.63.46, thereby earning a profit of Rs.40.43 per litre. Similarly, cost of producing diesel is Rs.23.86 per litre, while its market price is Rs.54.06 per litre. Hence, profit earned by government by way of tax is Rs.30.20 per litre. If petro-products are brought in GST on 18% rate, there would be a reduction of Rs.25/- per litre in the prices of petrol and diesel immediately.

This Traders Sammelan was attended by former Ministers & MLAs, Shri Bachan Singh Arya, Shri Ramesh Gupta, Shri Pawan Diwan, Shri Radhey Shyam Sharma, Shri Phool Singh Balmiki and was also addressed by Mahila Congress President, Smt. Sumitra Chauhan; PCC General Secretaries, Shri Suresh Yunuspur and Shri Nahar Singh Sandhu; Haryana Kisan-Khet Mazdoor Congress President, Shri Bhupinder Singh Phogat; Haryana Krishak Samaj President, Shri Ishwar Nain as also by Presidents of over 30 shopkeepers/kiryana merchants associations from across the State.