

SHRI K. S. HEGDE: Have any of the States disagreed with the circular or not?

SHRI M. C. SHAH: Other States have stated that the matter is under consideration. Interim replies have been received. We have already sent reminders to those State Governments to send their replies very early.

SHRI B. V. KAKKILAYA: May I know if Madras has sent any reply and, if so, what reply it has sent?

SHRI M. C. SHAH: I have stated that West Bengal has replied, and recently the State Governments of Sau-rashtra and Hyderabad have replied. From other States we have received only interim replies. The matter is still under consideration.

SHRI D. NARAYAN: Having experienced all these difficulties, is it not desirable to have a common Sales Tax Act for the whole country?

SHRI M. C. SHAH: That will require an amendment of the Constitution. Under the Constitution, sales tax is a subject in the State List, and the Central Government, unless the Constitution is amended, cannot take that step.

SHRI B. C. GHOSE: Presumably the desire of the Constitution-makers is that inter-State trade should not be taxed. If the Supreme Court judgment has the effect that State Governments may so tax, does not the Government think it desirable that the Constitution should be amended so that such taxation cannot be levied?

SHRI M. C. SHAH: The intention of the makers of the Constitution is that there should not be double taxation on the same transaction. The Supreme Court has now decided that the tax can be levied only where the goods are delivered for consumption. So, regarding double taxation, there is already some relief.

SHRI B. C. GHOSE: Does the hon. Minister realise that it has the same

effect now? Although the Constitution states that there should not be double taxation, under the Supreme Court judgment, inasmuch as a State can tax goods coming from another State, it virtually means interference with inter-State trade.

SHRI M. C. SHAH: Therefore, Sir, I have already replied to my hon. friend that the Officials' Committee will meet and discuss all these issues arising from the judgment of the Supreme Court and thereafter the Government will consider what further steps are necessary and then they will consult the State Governments.

SHRI B. C. GHOSE: Does this mean that the Government of India have no opinion on this matter themselves?

MR. CHAIRMAN: Yes.

SHRI M. C. SHAH: The Government knows that sales tax is a subject in the State List, and only because of the hardship caused by the recent interpretation of the Supreme Court, this situation has arisen. As a matter of fact, this matter was discussed in the Finance Ministers' Conference, but in the absence of an authoritative statement from the Supreme Court, the Finance Ministers' Conference also, could not come to any conclusion.

SHRI B. C. GHOSE: If the Government consider that the promotion of trade and commerce in this country is the direct concern of the Government of India, and if the imposition of this sales tax impedes such trade and commerce, should not the Government take action?

SHRI M. C. SHAH: The Finance Ministry has already forwarded a memorandum to the Ministry of Commerce and Industry asking for their comments as to whether this judgment of the Supreme Court interferes with inter-State trade or the export trade, and we are awaiting their comments.

SHRI K. S. HEGDE: Do the Government consider that, so far as the sales-tax is concerned, it is primarily the concern of the States?

SHRI M. C. SHAH: I have already said that sales tax, except in the case of those commodities which are considered essential for the life of the community under the Essential Commodities Act, is a State subject. That I have already stated.

SHRI K. S. HEGDE: Would not interference from the Centre jeopardise provincial autonomy?

SHRI M. C. SHAH: There is no question of jeopardising provincial autonomy. It is only in consultation with the States that we would be doing anything. As a matter of fact, we propose that the Officials' Committee should consider all these points, wherein the Madras Government also will be represented.

SHRI B. C. GHOSE: Since the Government have advised the States not to charge this tax for the period stated, does this imply that the Government of India do not favour the imposition of such a tax?

SHRI M. C. SHAH: We have advised the State Governments not to issue these demand notices or to levy the tax for the period 26th January 1950 to the date of the Supreme Court judgment retrospectively. It is not fair to collect the tax when the dealers themselves did not collect it from the purchasers in the first instance.

SHRI B. C. GHOSE: If, as the hon. Minister has stated, the States are entitled to impose this tax under the Constitution, may I know why they have advised the State Governments not to make these demands?

SHRI M. C. SHAH: It is not fair. As I have already stated, those dealers outside the States concerned who had sold their goods to other States did not realise the sales tax from the dealers to whom they had sold their goods. Now, after nearly 3 years or so, if you ask them to pay sales tax which they had not realised, it will be most unfair.

APPOINTMENT OF *ad hoc* COMMITTEE IN THE MINISTRY OF FINANCE

*129. MOULANA M. FARUQI: Will the Minister for FINANCE be pleased to state:

(a) how many *ad hoc* committees or commissions were appointed since 1st January 1950 up-to-date under the administrative control of the Finance Ministry;

(b) how many such Committees or Commissions are still functioning; and

(c) when the committees or commissions, which have not yet submitted their reports, were appointed?

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): (a), (b) and (c). The information is being collected and will be laid on the Table of the House.

DISPOSAL OF INCOME TAX CASES IN ORISSA DURING 1951-52

*130. SHRIMATI SHOILA BALA DAS: Will the Minister for FINANCE be pleased to state:

(a) the number of Income-tax cases dealt with in Orissa during the year 1951-52; and

(b) the number of cases disposed of and pending in that State during the above period?

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): (a) Total number of income-tax cases to be dealt with during the year 1951-52 in the State of Orissa was 9,234.

(b) The number of cases disposed of during that year and the number pending at the end of that year were 5,854 and 3,380 respectively.

SHRIMATI SHOILA BALA DAS: May I know the number of Income-tax Officers in the State of Orissa?

SHRI M. C. SHAH: Last time I gave the number of Income-tax Officers for both Bihar and Orissa, which was 43.