

GST on air freight on fruits and vegetables

368. DR. KANWAR DEEP SINGH: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that fruits and vegetables exporters have to pay 18 per cent GST on air freight whereas fruits and vegetables are free from GST;
- (b) if so, the reasons therefor;
- (c) whether it is affecting farmers, farm workers etc. involved in the chain adversely; and
- (d) if so, whether it can be exempted from 18 per cent GST?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (d) Place of supply of service by way of transportation of goods by air by a person to an exporter, both located in India, is in the taxable territory and therefore, liable to GST of 18%. Export of goods being zero rated, the exporter is entitled to refund of the same and therefore, such tax is not a cost for him.

Removal of confusion during readjustment/restructuring of GST

369. SHRI ANUBHAV MOHANTY: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the GST that came into force recently needs to be readjusted/restructured as per the statement of the Finance Ministry;
- (b) whether the need arose due to hasty implementation of GST without proper preparation and perception;
- (c) whether or not this readjustment/restructuring of the GST will further complicate its application and confuse the already confused public/traders; and
- (d) whether Government will assure that this exercise of readjustment/restructuring will not further complicate and confuse the implementation of GST?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) Yes Sir. The introduction of GST is a landmark change which has overhauled the existing tax structure. However, after its introduction, certain provisions have been readjusted/restructured based on the feedback received from the trade and industry and to further increase the ease of doing business.

- (b) No Sir.

(c) No Sir. The readjustment/restructuring is being done keeping in mind the feedback received from the trade and industry and to further increase the ease of doing business. Moreover, any such change being made is widely publicized through the print, audio and visual media including twitter.

(d) Yes Sir.

Simplification of direct taxes to widen the tax-payers base

370. SHRI SAMBHAJI CHHATRAPATI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has initiated serious action to simplify direct taxes laws, including the Income Tax Act, 1961, to restrict tax evasion and widen tax-payer's base;

(b) if so, the details thereof; and

(c) how much time it is likely to take to firm-up draft for simplified direct taxes laws in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (c) Yes madam. The Government has constituted a Task Force to draft a new direct tax law *vide* Office Order in F No 370149/230/2017 dated 22.11.2017 with the following Members:

- (i) Shri Arbind Modi, Member (Legislation), CBDT - Convener
- (ii) Shri Girish Ahuja, practicing Chartered Accountant and non-official Director State Bank of India;
- (iii) Shri Rajiv Memani, Chairman & Regional Managing Partner of E&Y;
- (iv) Shri Mukesh Patel, Practicing Tax Advocate, Ahmedabad;
- (v) Ms. Mansi Kedia, Consultant, ICRIER, New Delhi;
- (vi) Shri G.C. Srivastava, Retd. IRS (1971 Batch) and Advocate.

2. Shri Arvind Subramanian, Chief Economic Adviser, is a permanent special invitee to the Task Force.

3. The Terms of Reference of the Task Force is to draft an appropriate direct tax legislation keeping in view:

- (i) The direct, tax system prevalent in various countries;