

Public Accounts Committee's (PAC) Report on GST

Prelims - *Economic and Social Development.*

Current events of national and international importance.

Mains - *GS II | Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

Why in the News?

Recently, Public Accounts Committee (PAC) has recommended the Finance Ministry to undertake a comprehensive review of the GST framework to identify and eliminate unnecessary procedures and requirements that complicate compliance.

- **PAC** - It is a parliamentary committee which was established in 1921.
- It is responsible for auditing the revenue and expenditure of the government and thereby ensuring financial accountability and transparency in public spending.
- **19th PAC report on GST** - It seeks comprehensive review of GST framework with stakeholder consultation.
- **Issues raised** - It flags criminal penalties meted out for compliance failures, with some honest taxpayers facing criminal penalties even in cases of unintentional errors.
- It criticizes the initial steps taken towards biometric-based Aadhar authentication as they are "riddled with so many issues."

PAC's recommendations to Finance Ministry

- **Streamlining return filing process** - Consolidating forms and reducing the frequency of filing where possible.
- **Adopting a top tiered compliance** - Simplifying process for smaller businesses thereby reducing the burden on smaller taxpayers.
- **User friendly GST portal** - Providing a clear guidance and support to taxpayers at every step in the filing.
- **Incorporating new technologies** - Data analytics and artificial intelligence tools can be used for an accurate projection of the revenue to be collected.
- **Transparent refund processing system** - Having timelines for processing claims and regular updates to taxpayers.
- **Grievance redressal mechanism** - Establishing a mechanism to allow tax payers to raise concerns and receive prompt assistance.
- **Other recommendations** - It sought a case management system for the real-time tracking of pending cases and monitoring of all GST-related documents in digital form.

- **GST** - A form of *indirect tax* levied on most of the goods and services sold in India for domestic consumption.
- It is a *destination-based taxation* system.
- **Launch** - It came into effect on 1st July 2017, passed by 101st Constitutional Amendment Act in 2016.
 - **Article 246A** - Concurrent power of Parliament and the State Legislatures to make laws related to GST.
 - **Article 269A** - Inter-state GST
 - **Article 279A** - GST Council.
- **Motto** - "One nation, One market, One tax".

Reference

[The Hindu| PAC's Comprehensive Review of GST](#)

