

Not by fear alone: on GST e-way billing

The GST (goods and services tax) Council chaired by Finance Minister Arun Jaitley has decided to [stick to the prescriptions of the group of ministers](#) on the rollout of the [e-way bills system](#). So, starting April 1, all inter-State movement of goods above the value of 50,000 will require the generation of an e-way bill to help track their movement. The original rollout plan for February 1 had to be aborted as the IT system couldn't handle the lakhs of e-way bills being generated by consignors and transporters. As proposed by the ministerial group, the e-way bill system for tracking intra-State movement will be launched in a phased manner, with all States to be on board by June 1. From April 1 onwards, every week a few States will start the system for internal trade. While such an approach may give the government an opportunity to fix the chinks in the system, this is a compliance nightmare in the making for taxpayers with operations in multiple locations. The government is keen to use the system to foil tax evasion or non-filing of returns. The Central Board of Excise and Customs, together with the GST Network, has begun deploying data analytics on the vast repository of information collected from taxpayers since July. Action is likely to begin soon on taxpayers, based on variances and data gaps that have been found in returns.

While industry remains edgy about the capacity of the IT system to cope with e-way bills from April 1, new rules and forms for the generation of these transit challans have been issued. Tax experts have voiced concern about some of these rules, including one that empowers commissioners to notify those officers who can intercept any mode of conveyance to carry out physical verification of e-way bills while goods are in transit, akin to the old physical checkpost system. What is most disappointing for business, however, is the failure of the GST Council to finalise a simplified tax form for assesseees. Infosys co-founder Nandan Nilekani has also made a pitch to help formulate a simpler return that involves just one monthly filing. Mr. Jaitley has said that there is scope for further simplification in the options available with the Council without rendering such a form 'evasion-prone'. For now, taxpayers will have to stick to the current compliance system till June 2018. Similarly, the plan to pay GST under the reverse charge mechanism has been deferred till the end of June, to avoid 'inconvenience' to trade and industry. The e-wallet scheme proposed for exporters whose cash flows have been affected by delays in refunds on GST paid on domestic inputs has been deferred till October 1. For GST to become truly simple for taxpayers, certainty of timelines is as critical as the fear of the taxman.

It is unclear whether the threat of confiscation of property will encourage fugitives to return

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