

UNLIKELY TO SEE CONSENSUS ON PETROL SOON

Hyderabad, Dec. 22: Consensus with states on inclusion of petroleum products in the ambit of GST would never emerge as they and the Centre are over-dependent on the sector for revenue collection, says Assocham.

Assocham on Friday said it is always desirable for petroleum to be brought under the GST for effecting overall efficiency in the fuel value chain and reducing tax burden on consumers.

"However, realistically speaking both the Centre and States have been over-depending on petroleum sector for their revenue collection. Collectively, they impose over 100-130 per cent taxes on petrol and diesel", it said.

"So, while it is desirable, the resistance is expected from both Centre and States, whatever they may say; after all, are they willing to sacrifice revenue? and if yes, what alternative sources do they have for the revenue?" Assocham secretary general D.S. Rawat told *PTI*.

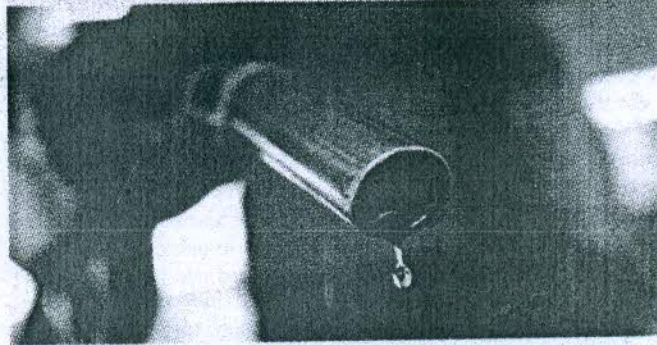
— *PTI*

Consensus will never emerge on petrol under GST: Assocham

HYDERABAD: Consensus with states on inclusion of petroleum products in the ambit of GST would never emerge as they and the Centre are over-dependent on the sector for revenue collection, says industry body Assocham.

FM Arun Jaitley told Rajya Sabha on December 19 that the Centre favoured bringing them under GST but it would want a consensus with the states before taking such a step.

Assocham (The Associated Chambers of Commerce and Industry of India) on Friday said it is always desirable for petroleum to be brought under the GST for effecting overall efficiency in the fuel value chain and reducing tax burden on consumers. "However, realistically speaking both the Centre and States have been over-dependending on petroleum



sector for their revenue collection. Collectively, they impose over 100-130 per cent taxes on petrol and diesel. So, while it is desirable, the resistance is expected from both Centre and States, whatever they may say; after all, are they willing to sacrifice revenue, and if yes, what alternative sources do they have for the revenue?" it said.

"The maximum GST slab is 28 per cent and even if some

cess is allowed over and above, it can go up to 50 per cent; still consumers would gain. Big point is: governments would not agree easily!", Assocham Secretary General D S Rawat said. It is because of the revenue collection that consensus would never emerge. In fact, not even one state would be willing to forego revenue; same is true about the Centre, he argued.

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