

GST Council meeting: Panel for raising threshold for offences to Rs 2 cr

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- **GST Council will also take up the group of ministers (GoM) report headed by Haryana deputy chief minister Dushyant Chautala on the Goods and Services tax Appellate Tribunals (GSTAT)**

The all-powerful GST Council, which is scheduled to meet on December 17, will likely to take up changes in the prosecution provisions under the GST regime, in which a committee of officials has proposed increasing the monetary limit to Rs 2 crore from the current Rs 1 crore, set as a minimum amount of tax evaded for arrest in non-cognizable and bailable offences under the regime. The council will also consider a ministerial panel report on setting up GST Appellate Tribunals, according to the agenda documents reviewed by Business Standard.

At present, if the amount of tax evaded or input tax credit wrongly availed of is Rs 5 crore or above, the prison term may be extended to five years. If the amount evaded exceeds Rs 2 crore (but not more than Rs 5 crore), the jail term could be three years. If tax evaded is over Rs 1 crore but less than Rs 2 crore, the incarceration period is a year.

The GST Council will also take up the report by a group of ministers (GoM) -- headed by Haryana Deputy Chief Minister Dushyant Chautala -- on the Goods and Services Tax Appellate Tribunals (GSTATs).

The GoM report has proposed that each Bench should consist of president, two judicial members, one technical member (Centre) and another technical member (state).

It suggested empowering a single-member Bench to hear cases with tax implications up to Rs 50 lakh.

The report also pitched for a principal Bench in New Delhi and similar Benches at the state level. The appellate body's president is likely to be a retired judge from the Supreme Court or former chief justice of a high court, the sources said.

States with less than 50-million population should have maximum of 2 Benches and no state should have more than 5 Benches, the report suggested.

Among others, the law committee set up under the GST Council proposed a change in the compounding provision by reducing it to 25 per cent of the tax involved, from the existing 50 per cent, and the maximum amount not being more than 100 per cent.

For example, small businesses with a Rs 5-10-crore turnover may be asked for a lower fee (15-20 per cent) on total tax involved.

Currently, the provision of compounding requires a 50-150 per cent fee.