

India's travel & hospitality sector demands lower tax slab under GST

India moved a step closer to the implementation of the Goods and Services Tax (GST) regime with the Parliament approving The Constitution (122nd Amendment) Bill, 2014. The GST, which is expected to be implemented from April 1, 2017, is expected to replace multiple state and central levies with a single tax.

Anil Parashar, President & CEO, InterGlobe Technology Quotient

GST when implemented will replace all indirect taxes that are presently levied on goods and services separately by the Centre and the State. This is to consolidate the state's economies and provide a more structural taxation framework for people. If this bill is put into action the idea of creating an undivided and cooperative nation (One Tax One Country) would go a step further. In the travel industry too this is sure to simplify the taxes levied and the service charges breakup would be made much simpler.

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also place India as one of the biggest players in the world economy as the total GDP of the nation is sure to grow by 1.5 to 2 percent post implementation of GST. And when a nation's economy grows, all its contributors grow equally.

The GST bill will be an establisher of uniform tax regime, which was heretofore missing, thereby, simplifying tax deduction policies. But having said

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that, there is also a skepticism about this move in the market that if passed, the tax rate on air fares will increase considerably. Though, nothing has been mandated yet, and I am sure that the government will keep in mind the tourism industry's interest as it is a major contributor to the GDP of the nation.