

Office of Shaktisinh Gohil
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Press Note

25th July, 2014

- People of Gujarat use to pay Rs 8309 Cr by way of VAT in 2004-05 and now in 2013-14 there is burden of Rs 45307 Cr. on people.
- PAC has brought out financial indiscipline by Gujarat government which is spending millions without permission.
- Gujarat has maximum burden of VAT of 23 % on Petrol and 21% on diesel besides cess.
- One percent tax on gold and five percent on imitation jewellery, this shows that common men has to bear the most.
- Dues of millions of rich people are outstanding, while ordinary people are forced to pay even small arrears.
- Rs 854.Cr were to recover from Bioter Industries, but its property has not been auctioned.
- Dues of Rs 16566.41Cr of favoured industrialists are still outstanding.
- Professional Tax should be abolished.
- Budget does not have anything for the affected people of Kutch.
- Tax input credit should be made zero.
- VAT should be abolished on small brick manufacturers.
- Rajasthan has five percent VAT on kota stone, marble and granite while Gujarat has many times more.
- Trust contribution is not a tax, it is just fee. Still government collects crores by way of this provision.
- Government is imposing it by way of VAT on private hospitals.
- Government is totally indifferent in allocating seven per cent funds to SC and ST each.

While participating in discussion on demands of Finance Department, Congress MLA Shaktisinh Gohil said that people of Gujarat have maximum tax burden. Gujarat has maximum VAT. This has made life of people of Gujarat miserable in the time of price rise. People of Gujarat use to pay Rs 8309 Cr by way of VAT in 2004-05. Over the years the tax has been increased and now in 2013-14 there is burden of Rs 45307 Cr. of VAT on people. Quoting Pg 45 of the report of Public Accounts Committee he said that even the Committee has pointed out that financial indiscipline by Gujarat government which is spending millions without permission. It has lost control on expenditure, the report says. It goes beyond the amount sanctioned by the Assembly. It has maximum tax. Gujarat government has not spared even mineral water from its tax ambit. While there is no tax on mineral water in Maharashtra or Tamil Nadu Gujarat charges 15 percent tax. Gujarat has maximum burden of VAT of 23 % on Petrol and 21% on diesel. Six year back cess of 3 % on Petrol and 2% on diesel was imposed. Now there is difference of Rs 1.70 at least in the price of diesel in Gujarat and neighbouring Rajasthan and Maharashtra. As a result not only people of Gujarat have to pay more, Gujarat business is going out as truck and bus operators buy diesel from Rajasthan and Maharashtra. Other states have tax ranging from 0 to 5 % on CNG while Gujarat has 15%. Gujarat. Gujarat has one percent tax on gold and five percent on imitation jewellery, which is used by common men. This shows that common men have to bear the most. Date which is used by poor as nutrition rich food is taxed five percent while many states have no tax on it.

Taunting BJP members Gohil said that it is not important as to who went where but what is important is the feelings of the person towards the people of the area. Mahatma Gandhi was born in Gujarat but his feelings towards people in South Africa were noble. And he gave exemplary leadership which no one born in South Africa could give. It is not important that someone (Anandiben) goes from Mandal to Patan or come to Ahmedabad or someone (Saurabh Patel) goes from Botad to Vadodara or someone (Atmarambhai Parmar) comes to Surat from Gadhada or some Gujarati goes to Varanasi but what is more is the feelings towards the people of the area, he said.

My feelings towards people of Kutch whom I represent are alive and this is the reason that the Finance department has not even mentioned anything about drought in Lakhpat, Banni and Abdasa areas of Kutch. The district has received least rainfall in the state but it is unfortunate that no provision has been made in the budget for the people of Kutch. The government has also failed to provide fodder to the animals in the state.

It is the responsibility of the finance department to get utilization certificates and ensure that specific funds are utilized for specific purposes but in Gujarat utilization certificates of Rs. 9121.43 crores have not been submitted, Gohil alleged.

Harmonized code system (HSM) is necessary. But Gujarat has not assigned it even after seven years while other states have done it. He claimed that the commercial department which threatens ordinary people to pay their small dues is kind to rich people. Giving example he said that this government has not recovered crores of rupees in 139 cases of 50 dealers of 23 units. Rs 854.Cr were to recover from Bioter Industries. Assessment was done all the appeals were settled but its property has not been auctioned. Jerpen Plastics, Patel Ranchhod Hirji, Granito Cermaic, Dipak Petrochem are other such examples. Dues of Rs 16566.41Cr of favoured industrialists are still outstanding as on 31.3.2012. The outstanding dues for more than five years is Rs.4888.56 crore.

As compared to VAT the income from professional tax is negligible. It is only 0.006%. As against this the administrative expenses are quite high and people have to suffer lots of problem. He suggested that Professional Tax should be abolished.

Gohil said that VAT is high on brick manufacturing units. VAT should be abolished on small brick manufacturers and 2% VAT should be levied on units having turnover of more than 50 lakh. Common man generally uses Kota stone while marble and granite is used in temples. Rajasthan had 12.15% VAT on it but it has been reduced to five percent. While the rate in Gujarat is quite high. Consequently business from the state has been transferred to Rajasthan. Gujarat should have 5% VAT on kota stone, marble and granite. In the old Sales Tax laws there was no tax on shoes made by hand by cobbler. In the same way there should be no tax on hand made shoes whose price is upto Rs.800, he said.

He said that in Gujarat certain fees are also taken in the form of taxes. Citing example he said trust contribution is not a tax, it is just fee. Still government collects crores by way of this provision. But in the state Rs.133 crore are deposited in the state for trust contribution as on 28.5.2014 and every year the state earns around Rs.12 crore and Rs.8 crore interest totaling Rs.20 crore from trust income. As against this the expenditure for services is only Rs. 9 crore. Mahasthra government has reduced the trust contribution and has decided to take according to expenditure. Guajrat should also follow, he said.

Giving an example of harassment of people by the Sales Tax department, he said a senior officers expected VIP treatment in a private hospital. When he did not get the treatment, he got his staff raid the hospital and started asking about VAT on the medicines and injections, the hospital gave to patients. He said that medicines were part of treatment and there could be no VAT on it. Government is totally indifferent in allocating seven per cent funds to SC and ST each, he said.

To,
The Editor,

Request to kindly publish this press note in your esteemed newspaper.

(Sunil Rami)
Personal Assistant