

Time to remedy damage done by GST to states' finances: Kerala FM

**KG NARENDRANATH &
PRASANTA SAHU**

NEW DELHI, JUNE 20

THE CONCEPT of Goods and Services Tax (GST) was antithetical to federalism to begin with, Kerala Finance Minister KN Balagopal said, adding his voice to a growing chorus of state finance ministers and public-policy experts seeking a comprehensive overhaul of the structure, design and administration of the four-year-old consumption tax.

“Cooperative federalism is at stake. GST hasn't yielded the promised revenue productivity.

Kerala seeks loan moratorium

Thiruvananthapuram: Kerala has approached the Centre to put in place a moratorium on repayment of loans till December 31 to provide relief to individuals in the unorganised sector. **PTI**

Let us at least learn from experience and restructure the tax. There are also genuine concerns over the (lack of) democratic functioning of the GST Council. It is up to the Union government to display

statesmanship and remedy the damage caused by GST to states' finances and fiscal powers,” he said.

In the revised Budget for FY22 presented in the assembly on June 4, Balagopal estimated tax revenue growth of just 6.5 per cent on year, upon nominal GSDP growth assumed of 6.6 per cent. The Budget envisages fiscal deficit to reduce from 4.25 per cent of G-SDP in FY21 to 3.5 per cent in FY22 and to 3 per cent in FY23. He said a likely pick-up in growth in the next fiscal could improve buoyancy.

“We will focus on efficient collection of existing taxes and may bring in some taxes as we emerge from pandemic blues”, he said. **FE**