

# Lok Sabha passes Bill to give immediate effect to customs, excise duties announced in Budget

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The Lok Sabha on Tuesday passed two indirect tax-related Bills, 2023. While the Central Goods and Services Tax (Second Amendment) Bill, 2023, seeks to raise the age limit for the appointment of the President and Members of the GST appellate tribunal, the Provisional Collection of Taxes Bill, 2023, seeks to give immediate effect to the changes in customs and excise duties announced in the Budget.

## **CGST AMENDMENT BILL**

The Bill aims to align the provisions of the Central Goods and Services Tax Act, 2017, with the Tribunal Reforms Act of 2021 to initiate the ad-



Finance Minister Nirmala Sitharaman speaks in the Lok Sabha during the Winter Session, in New Delhi on Tuesday ANI

ministrative process for the operationalisation of the Goods and Services Tax Appellate Tribunals at the earliest.

An advocate with 10 years of 'substantial experience' in litigation in matters relating to indirect taxes in the Appellate Tribunal, would be eligible to be appointed as a judi-

cial member of GSTAT.

As per the amendment, the President and judicial and technical members of GSTAT shall hold office for four years, or until he attains the age of 70 years and 67 years, respectively, whichever is earlier. The rules notified by the government earlier had fixed the age limit for the president and

members of GSTAT at 67 years and 65 years, respectively.

Piloting the Bill, Finance Minister Nirmala Sitharaman said tax payers who are litigating against GST demands in various High Courts or the Supreme Court will have the liberty to withdraw their cases and approach GSTAT once the benches start functioning.

## **CUSTOM/EXCISE BILL**

While moving the Provisional Collection of Taxes Bill, 2023, Sitharaman said that it seeks to obtain the authority from Parliament to provisionally levy and collect the newly imposed duties of customs and excise for 75 days. This Bill proposes to replace the erstwhile Provisional Collection of Taxes Act of 1931 with a minor technical change.

The Finance Minister said that the Bill allows for provisional tax collections during the period between the introduction and enactment of the increased customs or central excise duty, where such duty rate is increased beyond the statutory rate approved by Parliament or where such duty is newly imposed.

While the changes in rates of income and corporate taxes, incorporated in the Budget announced on February 1, are effective from April 1 or a notified date, most of the changes in customs and excise duty rates become effective from midnight. The new Bill now provides for the "immediate effect for a limited period" of the provisions in the Bills relating to the imposition or increase of custom/excise duties.