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## Tax Trends

Top Tax News This  
Week

## PM Modi unveils GST reforms with tax cuts, two-slab structure plan

Prime Minister Narendra Modi announced that the government will soon introduce “next generation” reforms in the Goods and Services Tax (GST) regime, aimed at lowering taxes on essential goods, simplifying the rate structure, and reducing compliance costs, as part of a broader review of the indirect tax system. Speaking from the Red Fort on the occasion of 79th Independence Day, PM Modi said a high-powered committee has been set up to review the GST framework. Soon after the PM’s address, the finance ministry issued a statement detailing plans for a major GST revamp.





## **Payer can recover GST loss from supplier who failed to remit tax, rules Madras HC**

The Madras High Court has ruled that GST authorities are not responsible for taking action under Section 76 of the Goods and Services Tax Act, 2017, against a person who allegedly collects tax for the supply of goods from another person but fails to pay it to the government, if the collection of tax was not brought to their notice. However, the court held that the payer of the tax can initiate proceedings against the person who collected it but did not remit it to the government, for the loss incurred.

## Income Tax Bill passed: Lower rates, bigger rebates, clearer rules for salaried taxpayers

The Lok Sabha has passed the Income Tax (No. 2) Bill, 2025, aiming to revamp the existing tax framework for individuals and families. The Union Finance Minister, Nirmala Sitharaman, spearheaded the move amidst opposition protests. This legislation is designed to simplify and consolidate the prevailing income tax laws, with significant implications for individual salaried taxpayers. Once ratified by Parliament, the bill will come into effect on 1st April 2026, replacing the longstanding Income Tax Act, 1961.





## Central GST authorities have not issued any notices based on UPI transactions, FinMin says after furore in Karnataka

The Ministry of Finance, via Finance Minister Nirmala Sitharaman, clarified that Central GST authorities have not issued any tax notices based solely on UPI transactions, following widespread backlash among small traders in Karnataka who received notices from state tax offices citing their digital payment activity.

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