

USISPF Statement

GST 2.0: A Pivotal Reform Moment Signaling a More Resilient, Business-Friendly India and Key Signal to Investors

New Delhi, September 4- The US-India Tax Forum, a dedicated policy platform of the U.S.–India Strategic Partnership Forum (USISPF), welcomes the landmark decisions of the 56th GST Council Meeting. These next-generation reforms mark a transformative chapter in India’s tax landscape.

The measures reflect the Government’s strong commitment to ease of doing business, consumer welfare, and a strengthened tax ecosystem that supports a predictable, investor-friendly environment. By addressing long-pending industry concerns and simplifying and rationalizing GST rates for citizens and key sectors, the Council has sent a clear signal of its intent to build a more transparent, efficient, and growth-oriented tax framework.

The US-India Tax Forum commends the leadership of Hon’ble Prime Minister Narendra Modi, Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman, and the GST Council, and expresses appreciation that several recommendations from the Forum have been accepted.

Mr. Tarun Bajaj, Chairperson, US-India Tax Forum and Former Revenue Secretary, Government of India, said, “GST 2.0 marks a strategic inflection point in India’s tax reform journey, one that prioritizes simplicity, certainty, and broad-based growth. The move to a two-rate structure, meaningful exemption on essentials and rationalization of rates on key household items and agri-products, and streamlined refund mechanisms reflect a maturing tax ecosystem aligned with economic realities and citizen needs. This is a true Diwali gift for consumers and businesses alike. By reducing costs, easing compliance, and enhancing transparency, these reforms will foster consumption-led growth and support India’s broader development goals. As the economy moves forward, GST 2.0 reaffirms the government’s commitment to creating a fair, efficient, and inclusive tax framework.”

Dr. Mukesh Aghi, President and CEO, USISPF, said “This is a major boost to investor sentiment. The next-generation GST reforms, an investor-friendly, growth-driven reset of India’s indirect tax regime, send a strong signal to global investors about transparency, ease of doing business, and policy predictability. From rationalized rates to simplified compliance for MSMEs and exporters, this bold reforms strengthens India’s position as an attractive investment

destinations. USISPF applauds the government's vision in advancing a future-ready, inclusive, and enterprise-driven India.

The wide-ranging decisions constitute structural reforms that will benefit MSMEs, startups, exporters, e-commerce, and investors, all of whom stand to gain from a simpler and more transparent tax regime. Lower rates on everyday items will provide immediate relief to households, support consumption, and reinforce the foundations for growth.

The US-India Tax Forum also applauds the Government's consultative, industry-aligned approach, reflected in policy directions that echo recommendations long advanced by stakeholders, including USISPF members across India and the United States. These reforms set a new standard for cooperative federalism and economic governance.

The Forum remains committed to building on this momentum to attract further investment and continue improving the ease-of-doing-business environment

About the US-India Strategic Partnership Forum (USISPF):

The US-India Strategic Partnership Forum (USISPF) is committed to creating the most powerful partnership between the United States and India. As the only independent not-for-profit institution dedicated to strengthening the U.S.-India partnership in Washington, D.C., and in New Delhi, USISPF is the trusted partner for businesses, non-profit organizations, the diaspora, and the governments of India and the United States.

About the US-India Tax Forum:

The US-India Tax Forum is USISPF's dedicated Tax Policy Forum which enables focused discussion on important advocacy areas across tax regimes in India. The US-India Tax Forum has more than 300 member and is the leading tax platform bringing Government of India policymakers, global tax experts, and the business community at large to advocate for better tax policy.

The Tax Forum was officially launched on February 25, 2020, and is an initiative to provide member companies with a platform to engage with relevant Government officials on tax issues as they conduct business in the US-India corridor, discuss the future of taxation and how businesses and governments can work together in a global world to improve the ease of doing business environment.

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