

More items in tax net as GST Council looks to boost kitty

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CHANDIGARH: Goods and services - ranging from pre-packed unbranded food items, certain pickles and lassi, cheques, cut and polished diamonds, LED lamps, pencil sharpeners, printing, drawing and writing ink, cutlery, and hospital rooms - will face higher GST from July 18, pushing up costs.

PLUGGING LEAKAGES

GST Rates In %	Current	New
Hotel rooms up to ₹1,000/day	0	12
Non-ICU hospital room rent over ₹5000/day/patient	0	5
Packed, unbranded food items, rice etc	0	5
Pre-packed, pre-labelled curd, lassi & butter milk, papad, gur, pickles	0	5
Cut & polished diamonds	0.25	1.5
Cheques	0	18
Knives with cutting blades, spoons, forks etc	12	18
LED lamps, lights, fixtures & their metal PCB	12	18
Transport of goods, passengers by ropeways	18	5
Renting of truck/ goods carriage with fuel	18	12

Several items, including services provided by financial regulators and hotel rooms below Rs 1,000 and non-ICU hospital rooms that cost more than Rs 5,000 a day per patient, which are currently exempted from the tax will also be included in the tax net as the Centre and the states seek to bolster their collections and plug leakages ahead of the fifth anniversary of the rollout of the tax reform measure.

At the same time, there is some relief for certain services, such as ropeways and goods carriage through rented trucks as well as implants and intraocular lenses.

HIGHER GST ON INKS, MAPS

GST rates in %	Current	July 18 onwards
Orthopedic appliance	12	5
Maps, including atlas	0	12
Printing, writing or drawing ink	12	18
Drawing, marking out instruments	12	18
E-waste	5	18
Solar water heaters	5	12
Tetra Pak	12	18
Work contracts for roads, bridges, railways, effluent treatment plants etc	12	18
Services provided by RBI, Sebi, IRDAI, FSSAI & GSTN brought under tax net	Exemption for services provided by cord blood banks for preservaton of stem cells removed	No exemption for transportation by rail No refund of accumulated tax credits for edible oil, coal



No opposition to change in rates at GST meet: FM

At its two-day meeting that concluded on Wednesday, the GST Council, headed by Union FM Nirmala Sitharaman with state FMs as members, decided to end exemptions and correct the inverted duty structure for several items, while extending the tenure of a panel of state FMs on rate rationalisation by another three months.

By correcting the inverted duty structure, the panel of ministers is seeking to ensure that intermediaries are not taxed at a lower rate than the final product which was the case in several segments.

"There is no opposition (on the change in GST rates), not even one...The fitment committee's (comprising officers) suggestions before the GST Council were considered in full, and more or less, all of them have been accepted," the FM said.

Amid concerns that an increase in rates for several products and services will add to inflationary pressures, Sitharaman said that the states too had weighed the possible impact. "All ministers (in the Council) are aware. They are all looking at the system keeping that in mind. So, decisions taken by the council are not as though they are being taken in isolation. Elected representatives who are part of the GST council are fully conscious ," she said.

The GST Council is looking at ways to augment revenue especially when a host of exemptions and tax cuts have meant that the average rate has dropped to under 12%. At the time of the launch of GST 5 years ago, the tax rate at which the Centre and the states would not have been worse off than the previous regime was estimated at 15.5%. Through the steps, including a possible reworking of slabs, the Council is seeking to address this issue so that states can also generate higher taxes.