

28% GST on e-gaming, casinos is here to stay

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New Delhi: Ruling out any change in the proposed 28% GST on online gaming and casinos, government sources said it is prudent to stick to levying tax on the gross value as any other method comes with complications in businesses that lack transparency.

The gaming industry has been seeking a review of last month's GST Council decision, arguing that the levy is too steep and will hurt business. Ahead of a meeting of the all powerful body comprising state and Union finance ministers on Wednesday, government sources told **TOI** that the decision by the Council was

well thought and unanimous, with all states backing the proposal. "We discussed it for three years and then came to this decision. All ministers were completely on board on the proposed tax rate," said a source privy to the discussions in the Council.

'SIN GOODS'

Officials said it would make the task difficult for the tax authorities as well as businesses to provide carve-outs. "Do you want us to deploy an inspector at every table to calculate the earnings of an individual in a casino or see how much cold drink is being consumed and at what price? Just like casinos, online gaming

is also an opaque business where it is very difficult to break up things and undertake the calculations," said a senior official.

Besides, they said tax on 'sin goods' had to be high as young children were blindly spending money on online games. They also said that as long as money is involved, no distinction between game of skill and game of chance will be made, and that the ministry of information technology had nothing to do with tax-related issues.

At Wednesday's meeting, the amendment to the laws will be discussed, with the issue of tweaking the regime unlikely to come up for discussion, sources said.