

# HIGHLIGHTS OF GST COUNCIL MEETING HELD

## CHANGED/REDUCED IN GST RATE

### Rate Reduced from 28% to 18%

- Motor vehicle will now attract 18% tax from earlier 28%.
- Buses, for use in public transport, which exclusively run on bio-fuels.
- To reduce GST rate on services by way of admission to theme parks, water parks, joy rides, merry-go-rounds, go-carting and ballet, from 28% to 18%.

### Rate Reduced from 18% to 12%

- Rates of goods such as bio-diesel, packaged drinking water (packed in 20 litres bottle), drip irrigation system, mechanical sprayer, bio-pesticides, sugar boiled confectionery, etc. have been brought down to 12 percent from 18 percent.
- To reduce GST rate on construction of metro and monorail projects (construction, erection, commissioning or installation of original works) from 18% to 12%.

### Rate Reduced from 18% to 5%

- Tax on sales of liquefied petroleum gas (LPG) by private firms for domestic use has been reduced to 5% from 18%.
- To reduce GST rate on transportation of petroleum crude and petroleum products (MS, HSD, ATF) from 18% to 5% without ITC and 12% with ITC.
- To reduce GST rate (from 18% to 12%) on the Works Contract Services (WCS) provided by sub-contractor to the main contractor providing WCS to Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity, which attract GST of 12%. Likewise, WCS attracting 5% GST, their sub-contractor would also be liable @ 5%.

### Rate reduced from 12% to 5%

- Tax rate on velvet fabric has been reduced to 5% from 12%

### Rate reduced from 15%/5%to 0%

- Rice Bran will attract 0% tax from 5% earlier
- Cess on vehicles for ambulance also reduced to 0% from 15% earlier.

- Rate Change to NIL
- 29 Handicraft items have been put in 0% slab.
- vibhuti and de-oiled brown rice will attract nil tax.

### **Rate Reduced from 3% to 0.25%**

- Diamonds and precious stones will now attract 0.25 percent GST instead of 3 percent

### **When E-WAY bill introduce**

- The facility for generation, modification, and cancellation of e-Way Bills is being provided on trial basis on the portal [ewaybill.nic.in](http://ewaybill.nic.in). Once fully functional e-Way Bill system will start functioning on the portal [ewaybillgst.gov.in](http://ewaybillgst.gov.in).
- E-way bill system would be rolled out from February 1 and 15 states are on board for obtaining intra-state bill.
- Certain modifications are being made to the e-Way Bill rules which are to be notified nationwide for interstate movement with effect from 01.02.2018 and for intra-state movement with effect from a date to be announced separately by each state but not later than 01.06.2018.

### **Penalty for delayed filing GST Return -**

- The late fee for delayed filing of GSTR-1, GSTR-5 & GSTR-5A is being reduced to Fifty Rupees per day and shall be Rupees Twenty Five in case of Nil returns.
- The late fee for delayed filing of GSTR-6 shall be Rupees Fifty per day.

### **Update about Cancellation of GST Registration**

- The last date for filing of Form GST REG-29 for cancellation of registration by migrated tax payers is being extended to March 31, 2018.
- Taxable persons who have obtained voluntary registration will now be permitted to apply for cancellation of registration even before the expiry of one year from the effective date of registration.

## **Enhance The Exemption Limit Resident Welfare Association**

- To enhance the exemption limit of Rs 5000/- per month per member to Rs 7500/- in respect of services provided by Resident Welfare Association (unincorporated or nonprofit entity) to its members against their individual contribution.

## **25th GST Council Meeting Press Release**

- Press release by the Government summarizing major policy changes announced by the 25th GST Council Meeting is reproduced below for reference:
  - ❖ To exempt legal services provided to Government, Local Authority, Governmental Authority and Government Entity.
  - ❖ To allow ITC of input services in the same line of business at the GST rate of 5% in case of tour operator service
  - ❖ The law review committee recommended to re-introduce reverse charge mechanism (RCM) only for dealers under composition scheme.
  - ❖ GST Council may in their next meeting decide requirement of filing only two returns i.e. GSTR 3B and GSTR 1 and may do away with GSTR 2 and GSTR 3.
  - ❖ GST Panel also decided to divide Rs 35,000 crore IGST collections between centre, states.

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