

## **GST Council clears all 9 rules for new tax regime at Srinagar meeting**

*GST Council members said that the list of exemptions could be firmed up by Thursday evening*

On day one of its crucial meeting in Srinagar, Jammu & Kashmir (J&K), the Goods and Services Tax (GST) Council on Thursday approved all nine rules for the rollout of the new indirect tax regime. The nine rules finalised by the council pertain to composition, valuation, transition, input tax credit, invoice, payment, refund, registration and return.

Exemptions are expected to be taken up before setting the GST rates. GST Council members said that the list of exemptions could be firmed up by Thursday evening. Close to 100 items would be in the exempted category. Finance Minister Arun Jaitley is learnt to have asked the states to keep exemptions to the bare minimum. "There cannot be 300 items in the exemption list," Jaitley said.

Consensus has been reached on 80 to 90 per cent of items falling in the zero to five per cent category. However, there are still differences on rates for packaged food items.

In fact, only items falling in the zero and five per cent category have been discussed so far on Day One of the GST Council meeting. Of the seven schedules on fitment of rates, only two were taken up — zero and five per cent.

However, GST rates for handicrafts are a concern for 12 states.

Post-lunch, the GST Council will discuss items under the 12, 18, and 28 per cent slabs and cess rates.

The council, chaired by Finance Minister Arun Jaitley, comprises states' finance ministers. In its two-day meeting, the council is expected to finalise the GST rules and discuss fitment of rates, with less than 50 days to go for the rollout. This meeting will, in fact, decide the fate the rollout of GST on July 1.

The meeting is being conducted at the Sher-i-Kashmir International Convention Centre in the state capital amid tight security. Around 3,000 personnel, including the state police, BSF and CRPF, have been deployed for the high-profile meeting chaired by Union Finance & Defence Minister Arun Jaitley.

Jammu & Kashmir Finance Minister Haseeb Drabu said his state would introduce the GST Bill in the Assembly within the next 30 days. He added that real estate should also be part of GST. "We are also thinking of bringing real estate in the GST regime. Today's meeting is the most important one," he said.

Delhi Finance Minister Manish Sisodia said the destination of service delivery would be discussed at the meeting. "We have raised a few concerns," he said.

According to Puducherry Chief Minister V Narayansamy, an effort would be made to ensure that common man is not burdened. "We will judiciously apply our mind," he said.

The Council will discuss fitment of items under different rate slabs. It will deliberate on the report prepared by the rate and fitment committee.

GST will broadly have a four-slab structure of 5 per cent, 12 per cent, 18 per cent and 28 per cent. There will be zero-rated goods as well as exempt items, besides an additional cess on demerit goods like tobacco, cigarettes, luxury cars and aerated drinks.

### **Regional demands**

- J&K says handloom and handicraft should be in zero per cent category. This is supported by North East states. GST rates on handicrafts are a concern for 12 states.
- Delhi wants footwear under Rs 500 in the five per cent category
- Uttar Pradesh wants cotton yarn, silk yarn, puja material to be exempted
- Coastal states want lead fish net to be exempted from GST

*(Business Standard)*