

GST CUT IN HOTEL TARIFFS WILL BOOST TOURISM SECTOR

The recent announcement of lowering the tax rate on hotel room tariffs by the Goods and Services Tax (GST) council is a Diwali gift for the tourism sector, said Prahlad Singh Patel, Union Minister of State (Independent Charge) for Tourism and Culture here on Monday.

Addressing the second edition of India Tourism Mart, Patel said, "The cut in the tax rate is a Diwali gift and will give a boost to the tourism sector".

Last week, the GST Council had reduced the tax rate on hotel tariffs. Now, the rooms with the tariff of Rs.7,500 and above will attract a GST of 18 per cent instead of 28 per cent. While, the rooms with tariff between Rs.1,001 and Rs.7,500 will be taxed at 12 per cent.

Also, there will be no GST charged on the room tariffs up to Rs.1,000. The Ministry of Tourism and Federation of Associations in Indian Tourism and Hospitality (FAITH) is organizing the two-day mart with the objective of promoting tourism destinations and products of the country in international source markets.

The event will provide an opportunity for the international buyer delegates to see the tourism facilities available in the country such as airports, hotels, tourist destinations and products, MICE etc.

Source: Business Line