

## **GST Council to meet on June 28-29 in Srinagar**

This is the second time that the GST Council meeting is being held in Srinagar. Before the launch of the Goods and Services Tax (GST) on July 1, 2017, the 14th meeting of the Council was held on May 18 and 19 in the city. GST rates on 1,211 items were approved at the two-day meeting.

The GST Council, chaired by the Union Finance Minister and comprising state counterparts, is also expected to discuss certain simplifications in procedures.

Ahead of the Council meeting, the panel of State Ministers on GST rate rationalization is scheduled to meet on June 17 to discuss possible tweaking in tax rates, sources said.

The Group of Ministers (GoM) is likely to discuss possible changes in tax slabs, the sources said, adding that the final report of the panel would take some more time.

The GoM has been mandated to review items under inverted duty structure to help minimize refund payout, and review the GST exempt list with an objective to expand the tax base and eliminate breaking of input tax credit (ITC) chain.

Under GST, a four-tier structure exempts or imposes a low tax rate of 5% on essential items and levies the top rate of 28% on cars and demerit goods. The other slabs of tax are 12 and 18%.

Besides, a cess is imposed on the highest slab of 28% on luxury, demerit and sin goods.

The Council will also consider a report of the panel of ministers on applicability of GST on casinos, race courses and online gaming.

The group of State Ministers unanimously decided on hiking the tax rate on these services to 28%, besides working out a method of valuing these services for the purpose of levying this tax. Currently, casinos, horse racing and online gaming services attract 18% GST.

The Council may also consider some modification in summary return and monthly tax payment form GSTR-3B with a view to check fake input tax credit claims and expedite settlement of genuine ones.

According to sources, the modified form will provide clarity with regard to gross input tax credit due to taxpayer, the amount claimed in a particular month and the net amount left in the taxpayer's ledger.

Source: The Business Line