

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-2123
ANSWERED ON – 08.08.2023

GST ON ONLINE GAMING

2123. SHRI VIVEK K. TANKHA:

Will the Minister of **FINANCE** be pleased to state:-

- (a) whether the decision of levying 28 per cent tax on online gaming websites was taken with a view to curb the industry;
- (b) whether the decision would impact the online gaming industry adversely;
- (c) the estimated amount of tax Government expects to be collected due to this tax; and
- (d) whether the decision to levy such high tax was opposed by any States in the GST Council?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): GST rates and exemptions are prescribed on the recommendations of GST Council which is a constitutional body comprising members from Union Government and State/UT Governments. Actionable claims in the form of betting and gambling supplied in online gaming attracts 28% GST since the roll out of GST in July, 2017.

(c): Online gaming companies supplying actionable claims are currently paying GST at the rate of 18% on platform fees ranging from 5% to 20% of the full face value, disputing the 28% levy on actionable claims in the form of betting and gambling supplied in online gaming before various legal fora. It is anticipated that the levy of 28% on full face value as recommended in the 50th GST Council meeting, will result in increase of revenue from current levels.

(d): The issue of 28% GST on online gaming was placed before the GST Council in the 50th meeting held on 11.07.2023, after Group of Ministers constituted to look into the issues related to the supply of actionable claims in casinos, race courses and online gaming, submitted its report. After detailed deliberations, the GST Council in the 50th meeting held on 11th July, 2023 has clarified that actionable claims supplied in casino, horse racing, and online gaming are leviable to a GST rate of 28% and recommended to carry out amendments in the law to remove any ambiguity. In the 51st GST Council meeting held on 02nd August, 2023, a few states requested that the matter be reconsidered and after detailed discussion, the GST Council decided to continue with its decision taken in the 50th meeting.
