

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO -1193**  
ANSWERED ON – 10.02.2026

**GST ON STATE RUN LOTTERY**

**1193. SHRI A. A. RAHIM:**

Will the Minister of Finance be pleased to state:

- (a) whether Government is ready to exclude State-run lottery schemes from the 40 percent GST Slab;
- (b) whether any assessment has been undertaken to study the impact of the existing GST rate on the income levels of lottery agents and sellers and on the overall sales of State-run lotteries;
- (c) whether Government is aware that higher tax incidence on State lotteries disproportionately affects welfare-oriented revenue models of States and the dependent households engaged in lottery sales; and
- (d) if so, the details thereof, if not, the reasons for not undertaking a review of the GST structure applicable to State-run lottery schemes?

**ANSWER**

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

(a): GST rates and exemptions on any supply of goods and services are prescribed on the recommendations of the GST Council, which is a Constitutional body comprising members from both the Union and State/UT Governments.

Based on the Group of Ministers (GoM) Report on Rate Rationalization, the GST Council in its 56th meeting held on 03.09.2025 recommended a GST rate of 40% on all specified actionable claims, including those involved in or by way of lottery of state-run lottery schemes.

Currently, there is no proposal pending with the GST Council to exclude State-run lottery schemes from the 40 per cent GST rate.

(b) to (d): In terms of section 4 of the Lotteries (Regulation) Act, 1998, a State Government may organise, conduct or promote a lottery, subject to the conditions specified therein and revenue generated from the overall sale of lotteries belong to the concerned State. Maintenance of information related to the income levels of lottery agents and sellers, overall sales of State-run lotteries and welfare-oriented revenue models of States fall under the purview of the concerned State Governments.

GST Council in its 56<sup>th</sup> Meeting held on 03.09.2025 has recommended to increase the tax rate of 28% to 40% on specified actionable claims, which includes lottery. The recommendation of the 56<sup>th</sup> GST Council has been made as part of the comprehensive rate rationalisation exercise, wherein a conscious call was taken to increase the rate of GST on all specified actionable claims, including those involved in or by way of lottery, from 28% to 40% after detailed discussions and deliberations in the 56<sup>th</sup> GST Council meeting.

Since 01.03.2020, all types of lotteries including state run lottery scheme have been uniformly taxed at 28% based on the recommendations of the GST Council in its 38<sup>th</sup> meeting. No differential tax treatment has been given to state run lottery scheme since 01.03.2020.

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