

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.1974

TO BE ANSWERED ON FRIDAY THE 29TH DECEMBER, 2017
PAUSHA 8, 1939 (SAKA)

CUT IN GST RATE

1974. PROF. PREM SINGH CHANDUMAJRA:

SHRI HARISH MEENA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Goods and Services Tax (GST) slab rate of 5 per cent for restaurants includes every kind of restaurants irrespective of their luxury quotients, location etc. and if so, the details thereof;
- (b) whether the cut in GST rate of around 200 items in November 2017 to 18 per cent was made unanimously by the GST Council and if so, the details thereof;
- (c) the details about sin goods and luxury goods and the difference between the two, if any;
- (d) whether the special tax payment window for Small and Medium Enterprises (SMEs) called the composition scheme has also been revised to bring more units of SMEs and if so, the details thereof; and
- (e) the details of the steps taken by the Government to remove glitches and loopholes in GST?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a): The GST rate of 5% is applicable for restaurants other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent.

(b): The Agenda Item pertaining to changes in GST rates on Goods was discussed in detail in the 23rd GST Council Meeting held on 10.11.2017 and after reaching consensus, the Council unanimously recommended reduction in GST rates on about 178 items [goods] from 28% to 18%. These changes have been given effect vide notifications dated 14.10.2017 [effective from 15.11.2017].

(c): In GST regime, there are 6 slab GST rate structures of 0.25% / 3% / 5% / 12% / 18% / 28%, apart from exempted goods. These rates were recommended by the GST Council generally, based on pre-GST tax incidence on various goods.

(d): Tax payers under composition scheme are required to file quarterly returns and the date for filing of return for the period July-September 2017 has been extended to 24/12/2017. The threshold for opting for composition has been increased to Rs. 1 crore. (Rs. 75 lakhs for 9 special category states).

(e): A Law Review Committee has been formed to review the GST law. GSTN portal faced technical glitches on certain days. The glitches in software were identified and rectified and taxpayers were able to file their returns. The software is being continuously tuned and improved based on feedback of users to reduce any glitches.
