

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

LOK SABHA

UNSTARRED QUESTION NO.2947

TO BE ANSWERED ON FRIDAY THE 03RD AUGUST, 2018
SHRAVANA 12, 1940 (SAKA)

GST RATES

**2947. SHRI KALIKESH N. SINGH DEO:
SHRIMATI KIRRON KHER:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any plan to reduce the number of Goods and Services Tax (GST) rates to only three rates and if not, the reasons therefor;
- (b) whether the introduction of GST improved the tax compliance in the services sector and if so, the details on insurance and financial services, State-wise; and
- (c) whether the GST has helped to bring the unorganized players into the tax net in the manufacturing sector and if so, the details of taxes collected from unorganized sector under GST?

ANSWER

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

(a): No. Currently the GST has four tax slabs of 5 per cent, 12%, 18% and 28% under GST. Apart from this a lower rate of 3% on Gold jewellery, silver and processed diamonds and 0.25% on rough diamonds has been prescribed by the GST Council beside Nil rate. There is no agenda with GST Council to reduce number of GST rate slabs to three.

(b): Yes. The introduction of GST has improved the tax compliance in the service sector. The reason for more compliance is due to inherent benefits of GST. At present, state-wise details on insurance and financial services on GST compliance are not maintained at GST Network.

(c): Yes. The threshold limit in GST regime has been reduced to Rs 20 lakhs per annum from Rs 1.5 Crores under erstewhile Central Excise regime for manufacturing sector. GST has helped to bring more unorganized players into the tax net in general which is reflected in the increased number of registered tax payers.
