

**GOVERNMENT OF INDIA  
MINISTRY OF TOURISM**

**LOK SABHA  
UNSTARRED QUESTION NO.1365  
ANSWERED ON 11.02.2019**

**IMPACT OF GST ON TOURISM SECTOR**

**1365. DR. SHASHI THAROOR:**

**Will the Minister of TOURISM be pleased to state:**

- (a) whether the Government is aware that high taxation, especially with the levy of GST on hotels is hurting the tourism industry, especially in the State of Kerala and if so, the details thereof;**
- (b) whether the Government proposes to take steps to address the difficulties faced by those engaged in the tourism sector and if so, the details thereof;**
- (c) whether his Ministry has recommended to the GST Council to reduce the GST rates on hotels;**
- (d) if so, the details thereof; and**
- (e) if not, the reasons therefor?**

**ANSWER**

**MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE)  
(SHRI K.J. ALPHONS)**

**(a): The Ministry of Tourism is concerned about the taxation levied on various tourism products and services including hotels, as the same directly impacts India's tourism competitiveness vis-à-vis other countries.**

**(b) to (e): The Ministry of Tourism has taken up the GST taxation slabs with the Minister of Finance, Government of India, from time to time, as a result of which the following changes have been effected in GST rate slabs with respect to tourism products and services:**

- (i) The threshold limit for applicability of 28% GST rate was increased from Rs.5000/- to Rs.7500/- per room per day by the Ministry of Finance.**

- (ii) The basis for determination of the applicable rate has been changed from declared tariff to actual tariff.**
- (iii) GST on restaurants eateries has been brought down to 5% irrespective of whether they are air-conditioned or not. If a restaurant is located within the premises of hotels, inns, guest houses, clubs or any commercial place meant for residential or lodging purposes with a daily tariff of Rs.7500 per day per unit or above, the tax will be 18%.**

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