

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

LOK SABHA

UNSTARRED QUESTION NO.4735

TO BE ANSWERED ON MONDAY THE 22nd JULY, 2019
ASHADHA 31, 1941 (SAKA)

GST ON LOTTERY

4735. SHRI E.T. MOHAMMED BASHEER:

Will the Minister of FINANCE be pleased to state:

- (a) whether it has come to the notice of the Government that Goods and Services Tax (GST) rates on other States lottery are made equivalent to the State lottery;
- (b) if so, the details thereof along with the reaction of the Government in this regard;
- (c) whether the Government has held any discussions in this regard; and
- (d) if so, the details thereof along with the steps which the Government proposes to take in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) and (b): Yes, sir. At present, there are two rates of GST on lottery. GST@12% is levied on lottery run by state government and GST@28% is levied on lottery authorised by state government.

In 32nd GST Council meeting held on 10.01.2019 at New Delhi, a proposal on rationalization of GST on Lottery was moved and GST Council decided to constitute a Group of Ministers (GoM) to look into various issues relating to GST on Lottery.

(c) and (d): The recommendations of Group of Ministers (GoM) on lottery was taken as Agenda Item 7 (i) to 35th GST Council meeting held on 21st June 2019. The Council approved to refer the following two issues to the Learned Attorney General of India, for his opinion before the Council took a final view on the GST rate on Lottery:

a. Whether the levy of differential tax rates on lottery i.e. @ 12% on State-run lottery and @ 28% on lottery authorised by a State was violative of Article 304 of the Indian Constitution, and

b. Whether or not Place of supply Rules of lottery, if made from one state to another through two distributors, one located in organising state and another in consuming state, with distributor in the consuming state having no direct link with or responsibility towards discharge of non-tax revenue to the organizing state, would be ultra vires of the Lotteries (Regulation) Act, 1998.
