

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UN-STARRED QUESTION NO.2193  
TO BE ANSWERED ON MONDAY, THE 2<sup>nd</sup> DECEMBER, 2019  
AGRAHAYANA 11, 1941(SAKA)

GST Rates for Lotteries

2193. DR. SHASHI THAROOR

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that the State of Kerala has fixed a Goods and Services Tax (GST) rate of 12 per cent for the State-organised lotteries and a higher GST rate of 28 per cent for the State-authorized lotteries;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the differential tax rates are applied to take a stand on violations of the Lottery Regulation Rules by the fraudulent State-authorized agents;
- (d) if so, the details thereof, including the evidence of violations and the actions needed for compliance from the defaulters;
- (e) whether the Ministry has been approached by the States that run lotteries, for a consensus on the issue and if so, the details thereof; and
- (f) whether there have been any High Court judgements passed in regard to GST regulations on lotteries and if so, the details thereof?

ANSWER  
MINISTER OF STATE IN MINISTRY OF FINANCE  
(Shri Anurag Singh Thakur)

(a) & (b) :- At present, there are two rates of GST on lottery across India. GST@12% is levied on lottery run by state government and GST@28% is levied on lottery authorized by state government. These rates were adopted by the Centre and all the States/UTs on the recommendation of the GST Council.

(c) :- Differential tax rates for lottery run by State Governments and lottery authorized by State Governments was recommended by Council after detailed deliberations and not due to any violation of rules and regulations in State-authorized lotteries.

(d) :- Does not arise in view of (c) above. Also, there is no such data available with the Government.

(e):- In 32<sup>nd</sup> 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 Minister (GoM) to look into various issues relating to GST on lotteries.

(f):- On 10<sup>th</sup> October 2018, Hon'ble HC of Calcutta, in case of Teesta Distribution Vs UoI [W.P. No.18424(W) of 2017] upheld the current two rates on lottery as recommended by the GST Council and observed that after extensive deliberation, the GST Council has approved the rates on lottery. It is within the domain of the GST Council to decide the rate of tax.

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