

**GOVERNMENT OF INDIA  
MINISTRY OF TOURISM**

**LOK SABHA  
UNSTARRED QUESTION NO.61  
ANSWERED ON 25.11.2024**

**UNIFORM TAX STRUCTURE FOR TOURISM INDUSTRY**

**61 SHRI DUSHYANT SINGH:**

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

- (a) whether the Government acknowledges that different services provided by the tourism industry in the country are subject to varying tax slab rates under the Goods and Services Tax (GST), and, if so, the details and reasons for these varied rates;**
- (b) the details of the steps taken/to be taken by the Government to establish a Uniform Tax Structure for the tourism sector to simplify operations for service providers and enhance industry coherence;**
- (c) whether the Government has any plans to consider similar policies to boost tourism in the country in light of successful international strategies, such as those employed by the Thailand i.e. event marketing, promoting secondary destinations, engaging celebrities and influencers and providing visa exemptions, if so, the details thereof;**
- (d) the manner in which adjustments in tax rates and GST play a role in the country; and**
- (e) the manner in which the plans proposed by the Government to simplify, rationalize and streamline regulations in the Indian tourism industry?**

**ANSWER**

**THE MINISTER OF TOURISM (SHRI GAJENDRA SINGH SHEKHAWAT)**

**(a) & (b): Yes. The Department of Revenue, Ministry of Finance has informed that GST rates and exemptions are prescribed on the recommendations of the GST Council, which is a constitutional body comprising representatives from both the Centre and the States/UTs. The existing GST rate structure for services provided by the tourism industry is as below:**

<b>Service</b>	<b>GST rate</b>
<b>Tour operator Service</b>	<p><b>5% without input tax credit (but ITC of input services in the same line of business is allowed) subject to the following condition:</b>  <b>The bill issued for supply of this service indicates that it is inclusive of charges of accommodation and transportation required for such a tour and the amount charged in the bill is the gross amount charged for such a tour including the charges of accommodation and transportation required for such a tour.</b></p> <p style="text-align: center;"><b>Or</b></p> <p><b>18% with ITC.</b></p>
<b>Hotel accommodation services</b>	<p><b>12% (where value of supply of a unit of accommodation is less than or equal to Rs. 7500/- per unit per day or equivalent).</b></p> <p><b>18% (where value of supply of a unit of accommodation is more than Rs.7500/- per unit per day or equivalent).</b></p>
<b>Restaurant services</b>	<p><b>5% without input tax credit in all cases other than where the restaurant service is provided at 'specified premises'.</b></p> <p><b>18% - where the restaurant service is provided at 'specified premises'.</b></p> <p><b>"Specified premises" means premises providing 'hotel accommodation' services having declared tariff of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent.</b></p>
<b>Cruise Tourism</b>	<b>Currently, Cruise Tourism attracts the standard rate of 18% GST.</b>

**On the basis of the recommendations made by the GST Council in the past, the following steps have been taken in relation to the tourism industry with a view to create uniformity in the tax structure:**

- i. The rate of GST applicable on hotel rooms above Rs. 7,500 has been reduced from 28% to 18%.**
- ii. The rate of GST applicable on hotel rooms of Rs. 7,500 and below has been streamlined at a uniform rate of 12%.**

**iii. A uniform rate of GST on restaurants of 5%, without input tax credit, has been implemented irrespective of whether the restaurants are air-conditioned or not.**

**(c): The Ministry of Tourism holistically promotes tourism in India through an integrated marketing and promotional strategy, and a synergized campaign in association with the travel trade, State Governments and Indian Missions overseas. The following promotional activities are undertaken to increase footfalls of foreign visitors to India:**

- (i) Participation in international travel fairs and exhibitions such as World Travel Market (WTM) London, Feria Internacional de Turismo (FITUR) Madrid, International Travel & Hospitality Show (MITT) Moscow, Asia-Pacific Incentives and Meetings Event (AIME) Sydney, Internationale Tourismusbörse (ITB) Berlin, Arabian Travel Market (ATM) Dubai, International Meeting Exchange (IMEX) Frankfurt, International & French Travel Market (IFTM) Top Resa Paris, Japan Expo, Internationale Tourismusbörse Asia (ITB Asia), Singapore etc.**
- (ii) The Chalo India initiative has been launched by the Ministry to encourage the huge Indian diaspora to become Incredible India ambassadors and encourage their five non-Indian friends to visit India, every year.**
- (iii) Chalo India portal has also been developed for registration of the Indian diaspora. Further gratis e visa to one lakh foreign tourists, visiting India under the referral program was announced.**
- (iv) Ministry of Tourism has launched the Incredible India Content Hub on the revamped Incredible India digital portal ([www.incredibleindia.gov.in](http://www.incredibleindia.gov.in)) on 27th September, 2024. The Incredible India Content Hub is a comprehensive digital repository of high-quality images, films, brochures and newsletters that is easily accessible by the industry stakeholders (travel media, tour operators, travel agents) across the globe for use in all their marketing and promotional efforts to amplify Incredible India. The revamped Incredible India Digital Portal is aimed to be a tourist centric, one-stop digital solution designed to enhance the travel experience for visitors to India.**
- (v) Inviting media personalities, tour operators and opinion makers to visit the country under the Hospitality Programme of the Ministry.**

**(vi) The promotions are being carried out in association with the State Governments and the Overseas India Missions including the 20 identified Indian Missions.**

**(vii) In order to facilitate smooth visa issue, Government of India provides e-visa facilities to nationals of 167 countries. E-Visa is presently available under nine sub-categories and processed totally on the online platform. Further, Ministry of Home Affairs has informed that nationals of Thailand may be granted 30 days e-Tourist visa with double entry on gratis basis for six months from 1st July 2024 to 31st December 2024 or till further orders. Further, Malaysian nationals may also be granted 30 days e-Tourist visa with double entry on gratis basis for one year from 1st July 2024 to 30th June 2025, or till further orders.**

**(d): The adjustment in tax rates and GST play important role in balancing the needs of the industry to grow and generate revenue for Government to meet the expenditure for developmental activities.**

**(e): The Ministry of Tourism registers/approves/classifies hotels, heritage hotels, legacy vintage hotels, guest houses, Timeshare Resorts, Operational Motels, Bed & Breakfast/Homestay Establishments, Tented Accommodation, as well as Online Travel Aggregators, Stand-alone Air Catering Units, Convention Centres, Standalone Restaurants and other tourism service providers such as tour operators, travel agents and tourist transport operators as per the extant Guidelines issued for the categories as mentioned above.**

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