

GST HEADLINES

February 07, 2017

Revenue Department Prepares Draft
Recommendations for GST Rates: Report

[Source: The Financial Express]

Revenue Department Prepares Draft Recommendations for GST Rates: Report



Meanwhile, talking about the roadmap for implementation of the Goods and Services Tax (GST), Hasmukh Adhia expressed optimism that the government is on track to make the indirect tax reform a reality soon.

The Revenue Department has prepared draft recommendations for GST rates on services. According to the draft, GST on telecom, banking, financial services, aviation is proposed to be pegged at 18%, sources told ET Now. DTH, restaurant dining are also placed in the 18% bracket, they said. “Education, healthcare are the only major sectors which will see lower service tax rate of 12%. Construction of affordable housing will also remain in the 12% bracket,” the sources further added.

Meanwhile, talking about the roadmap for implementation of the Goods and Services Tax (GST), Hasmukh Adhia expressed optimism that the government is on track to make the indirect tax reform a reality soon. “We are well on track for GST, nobody needs to worry about its implementation,” he said. “On February 18, we have the next meeting of the GST Council. We hope to finalize the law in that meeting,” he said, adding that the broad rates of GST have already been indicated and further calamity will emerge as the government moves forward on implementation.

GST is being touted as the biggest indirect tax reform since Independence. With its implementation, India will have a system of ‘one country, one tax, one market’.

Analysts widely expect that once GST comes into force, most of the services will get expensive, but for goods it will be a mixed bag. Essential goods will not form a part of GST.

(Link:<http://www.financialexpress.com/economy/revenue-department-prepares-draft-recommendations-for-gst-rates-report/539272/>)

Disclaimer: The news in the GST Corner is purely according to the information available in public domain and does not necessarily reflect the views of ICSI. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.