**GST HEADLINES**

**November 8, 2016**

***GST Rates on Consumer Durables should be 18%: CEAMA***

 ***[Source: The Economic Times]***

***GST Bills to Include Rates of Tax, Cess***

***[Source: Business Line]***

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# GST Bills to Include Rates of Tax, Cess

Will be introduced in the Winter Session of Parliament, State Assemblies as Money Bills

To provide stability to taxpayers, the government will include the rates of the tax and the cess under Goods and Services Tax (GST) in the model legislations, which will be introduced in upcoming Winter Session of Parliament.

“The rates of tax will be included in the legislations on the lines of the schedules given for Central excise duty and service tax,” said a senior official, adding that it will be included in the Centre and State GST Bills.

Sources also said that the CGST, SGST and integrated GST Bills will be introduced in Parliament and State assemblies as Money Bills.

Ring-fencing the rates of GST has been one of the key demands of the Congress party, which had earlier sought that the Constitution Amendment Act for GST should cap the rates at 18 per cent.

“This will ensure that the rates are not changed arbitrarily but only in case of a genuine requirement,” said the official.

But, to give more flexibility to change rates in case of a crisis, there would be a provision to allow the GST Council to notify a change in rates.

Sources said the government is hopeful that the inclusion of these provisions will ensure smooth passage of the Bills in the Winter Session, beginning November 16, to ensure that the GST meets its targeted roll-out date of April 1, 2017. The GST Council in its meeting last week finalised four rates of 5 per cent, 12, per cent, 18 per cent and 28 per cent for the new indirect tax levy. Officials from the State and Centre have begun working on four draft model legislations on the CGST, SGST, IGST and compensation. These are expected to be finalised by November 15 and will then be circulated to States for feedback.

The GST Council is likely to take up the draft Bills for approval in its next meeting on November 24 and 25, in time for their introduction in Parliament and State legislatures in the Winter Session.

Meanwhile, the proposed Bill on compensation will include the rates of the cess that will be levied on tobacco, *pan masala* and aerated drinks, as well as luxury cars.

It will also include a sunset clause stipulating that the cess will be in operation for a period of five years as well as details of the compensation fund into which the proceeds from this cess will flow in directly

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