**GST HEADLINES**

**October 21, 2016**

**GST Council to Meet Again on November 3-4**

***[Source: Doordarshan News]***

**GST Council Eyes 16% Levy on Gold Jewellery and 4% on Bullion**

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

**GST Council to Set Up Panel on Taxation**

***[Source: Deccan Herald]***

**GST Council to Meet Again on November 3-4**

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| |  | | --- | | GST council to meet again on November 3-4  **Updated on : 20-10-2016 06:43 PM** | |  |
| **The third round of deliberations in the Goods and Services Tax Council ended in New Delhi, a day ahead of schedule, without a decision on rates structure.** |  |
| The Council decided to discuss the rates structure in the next two meetings. The GST council will meet again in November to decide on a number of issues including rates.  A decision on GST rate was put off to next month even as the Centre and states converged towards a consensus on levying a cess on luxury and sin goods.  The cess would be used to compensate states for any loss of revenue they may suffer from implementation of Goods and Service Tax (GST) in first five years beginning April 1, 2017.   An informal consensus was reached at the end of the two-day meeting of the GST Council on a four-slab tax structure of 6, 12, 18 and 26 per cent.  The lower tariff will be for essential items and the highest bracket for luxury and sin goods like tobacco, cigarettes and alcohol, but a decision was put off to the next meeting.  Center is in favour of funding the compensation through cess. It finds cess a better way to compensate states than hike tax rates as it will impact the common man.  States have by and large converged towards consensus on source of funding for state compensation.   Entire proceeds from compensation cess will go to states and this compensation cess is likely to last for just 5 years.  GST Council, that includes representatives of all states, will meet again on November 3-4 to decide on the tax rates. The GST Council, which was originally to meet for three days converged towards a consensus on source of funding for state compensation.  Once the GST rates are decided, the GST Council will meet again on November 9-10 to finalise the draft legislation.  The October 18, 19 meet was the 3rd meet of GST council. The council met twice in September during which it decided draft rules relating to registration, invoice and payment and threshold level for GST implementation.  The government aims to implement the new indirect tax regime Goods and Services Tax (GST) from April 1, 2017. | |

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**GST Council to Set Up Panel on Taxation**

**To deal with complex tax issues, the GST Council will set up technical Committee of Officers on taxation.**  
  
 States will be allowed to join the committee on voluntary basis. The committee will give inputs to the GST Council on taxation whose decision will be final.   “There are many technical issues of taxation which would come before the GST Council for decision… Many of these issues will require technical inputs from officers having domain knowledge in taxation,” said an official privy to the development.  
  
 He said the technical committee of officers will explore all policy options on the taxation issues and present them before the GST Council with relative merits and demerits. The ultimate decision on these options will rest with the Council. India’s biggest indirect tax reform since independence that seeks to create a uniform tax structure for the whole country will subsume at least 12 types of indirect taxes levied by the Centre and the states into itself.

**GST may make oil dearer**

The proposed 4-tier GST structure may hit the common man as it is likely to result in higher taxes on various items including kitchen staples such as edible oils, spices and chicken. The prices of certain consumer durables like televisions, air conditioners, fridges and washing machines may however become cheaper with decrease in taxes.

The government plans to roll out the new indirect tax regime, Goods and Services Tax (GST), from April 1, 2017. In its meeting with states this week, the Centre has proposed a four slab GST rate structure. The lowest rate proposed is 6%, with two standard rates of 12% and 18%. The peak rate, which will mostly apply to FMCG and consumer durables, will be 26%.

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