

Q4 Discuss the various sectoral impacts of recent Goods & Services tax Council decisions.

Solt Recently, 47th GST Council meeting held in Chandigarh,

Report Submitted by GoM₁

The 4 detailed Reports on GST submitted to the Council by the Group of Ministers,

few taken up by the Council and below decisions were taken.

Impact of Change in Structure

If Tax slab of 5% changes to 8%, Govt revenue will increase by ₹ 1.04 Lakh Crore.

This is measure of impact, but tax slab remains same for now;

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|---------------------------------------------------------------------------------------------------------------|-----|-----|-----|
| 5% | 12% | 18% | 28% |
| <div style="display: flex; justify-content: space-around; width: 100%;"> </div> | | | |

SECTOR-WISE IMPACT & Decisions

Electric Vehicles :-

Vehicles with or without battery, have tax rate of 5%.

Impact :- Clarity in GST rate because this vehicle segment is moving fastly in technology change.
eg -> Battery swapping technology.

Defense :-

GST exemption is provided to certain defence items in order to make cheap products for the defense sector.

E-commerce :-

Small traders (with annual turnover $\leq 40 \text{ ₹ lakh}$) no longer required to registration in order to sell their items on e-commerce platform.

→ Hospitality :- The ^{GST} rate on hotel accommodation upto ₹ 1000 rent increased to 12% making costlier for consumers.

→ Healthcare :- GST rate on orthopaedics and other appliances reduced from 12% to 5%

→ Logistics :- GST Rate on transportation of Goods and passengers by ropeway is reduced.

Impact :- low cost of various items in hilly areas like Katra, Musorie etc.

→ Precious Metals :- GST rate on cut 2 Polished items diamonds increased from 0.25% to 1.5%, making cut 2 polished diamonds costlier.

However, Industry have to wait for further clearances on GST compensation to states & Rationalisation on Invested duty structures, although a lot has taken.