

GST rate rejig panel due for another revamp

Council may meet before Budget presentation in the middle of next month

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The Goods and Services Tax (GST) Council, at its upcoming meeting due before the full Budget, is expected to once again change the composition of the group of ministers on rate rationalisation. This group is tasked with submitting a final report on rationalisation of the GST regime as a follow-up to its interim report of June 2022.

This comes at a time when the GST Council is expected to assess states' progress in implementing the changes to their laws for taxation of online gaming, levying 28 per cent GST on the full face value for online money gaming, casinos, and horseracing. The six-month review window ended on March 30 this year. The GST Council, the all-powerful body governing the GST regime, headed by Finance Minister Nirmala Sitharaman, is expected to meet before the presentation of the full Budget for this financial year in the middle of next month.

The current group of ministers on rate rationalisation is headed by Uttar Pradesh Finance Minister Suresh Khanna and includes the finance ministers of Goa, Kerala, Karnataka, West Bengal, Rajasthan and Bihar. It

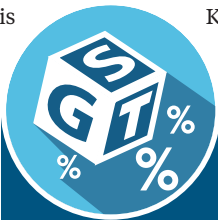
was first formed in 2021 at the GST Council's meeting to look into rationalisation of rates and address the so-called inverted duty structure.

It was reconstituted in November last year, when its head, Basavaraj S Bommai, lost in the elections to the Karnataka Assembly.

Now this panel needs another makeover because one of its members, Vijay Kumar Chaudhary, is no longer the finance minister of Bihar.

Meanwhile, top sources say the fitment committee under the GST Council, consisting of Central and state officials, has begun the rate rationalisation exercise afresh,

examining the possibility of dropping some of the rates, particularly the 12 per cent slab, to achieve a revenue-neutral structure. According to a senior official with direct knowledge of the matter, the GST regime could see an overhaul in the current financial year (FY25), with a switch to a three-slab structure from the existing four slabs. The group of ministers on rate rationalisation is expected to submit its recommendations and make a final report in three to four months. The current rate structure consists of the standard rates of 5 per cent, 12 per cent, 18 per cent, and the highest rate of 28 per cent.



The GST meet may also review the progress of states in implementing changes in rules of online gaming