

GST panel may regularise multiple tax issues

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The GST Council is likely to regularise taxation issues arising on a host of goods and services, including the supply of cereals, pulses, flour packets of over 25 kg. The Council is set to decide whether they would fall in the category of pre-packaged and labelled commodity, and attract 5 per cent GST. The panel might exclude agricultural farm produce in packages of more than the said quantity from the scope of labelled.

GST levy on tobacco prod-

ucts across categories would be referred to the state panel looking into the issue of rate rationalisations. At present, tobacco is categorised as “sin good” and attracts highest GST of 28 per cent with additional cess. Industry has sought clarity and asked to keep maximum rate of 40 per cent (20 per cent each to state and Centre).

Similarly, the matter related to blanket exemption of fertiliser could be referred to the same panel. The fitment panel that

was reviewing the issue is of the view that blanket exemption would lead to duty inversion.

Other than these, the Council might reject bringing MSME Ice cream manufacturers under composition scheme. It may also turn down the proposal to exempt pharma products and equipment from IGST. Besides,

orthopaedic implants may continue to attract lower tax rate as the Council is unlikely to approve of the proposal to

increase the rate to 18 per cent.

The GST Council is also likely to clarify on taxability of corporate guarantee, Esops and TCS rate collected by e-commerce operators. It is also expected to rationalise the pre-deposit amount for GST appeals and reduce it to 10 per cent or maximum ₹20 crore CGST & SGST, and ₹40 crore for IGST.

This apart, the Council may come out with biometric-based Aadhaar authentication for new GST registration on a pan-India basis, in order to eliminate non-genuine registrations.

