GST LIVE

RATE CHANGES IN UNION BUDGET 2018

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TAX CONNECT ADVISORY SERVICES LLP

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AMENDMENTS IN THE CUSTOMS TARIFF ACT, 1975

S. No.	Amendment	Clause of the Finance Bill, 2018
1.	Section 3 is being amended so as to: a) amend sub-section (7) to include reference to sub-section (8A); b) insert a new sub-section (8A) to provide for value of goods when they are sold within the warehousing period for calculation of integrated tax; c) amend the sub-section (9) to include reference to sub-section (10A); d) insert a new sub-section (10A) to provide for value of goods when they are sold within the warehousing period for calculation of goods and services tax compensation cess.	[100]

I. AMENDMENTS IN THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

	AMENDMENTS			
A	**Amendments affecting rates of BCD [to be effective from 02.02.2018]* [Clause 101(a) of the Finance Bill, 2018]**		**Rate of Duty**	
S. No.	**Heading, sub-heading tariff item**	**Commodity**	**From**	**To**
		Food Processing		
1	2009 21 00 to 2009 90 00	Fruit juices and vegetable juices including cranberry juice	30%	50%
		Perfumes and toiletry preparations		
2	3303	Perfumes and toilet waters	10%	20%
3	3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or suntan preparations; manicure or pedicure preparations	10%	20%
4	3305	Preparations for use on the hair	10%	20%

5	3306	Preparations for oral or dental hygiene, including denture fixative pastes and powders; yarn used to clean between the teeth (dental floss), in individual retail packages	10%	20%
6	3307	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included, prepared room deodorizers, whether or not perfumed or having disinfectant properties	10%	20%
		Automobile parts		
7	4011 20 10	Truck and Bus radial tyres	10%	15%
8	8407, 8408,8409,8483 10 91, 8483 10 92,8511, 8708, 8714 10	Specified parts/accessories of motor vehicles, motor cars, motor cycles	7.5%/10%	15%
		Footwear		
9	6401, 6402, 6403,6404, 6405	Footwear	10%	20%
10	6406	Parts of footwear	10%	15%
		Jewellery		
11	7117	Imitation Jewellery	15%	20%
		Electronics / Hardware		
12	8517 12	Cellular mobile phones	15%	20%
13	3919 90 90,3920 99 99,3926 90 91, 3926 90 99,4016 9990,7318 15 00,7326 90 99,8504, 8506,8507,8517,70 90,8518, 8538 90 00,8544 19, 854442, 8544 49	Specified parts and accessories including lithium ion battery of	7.5%/10%	15%
14	8517 62 90	Smart watches / wearable devices	10%	20%

15	8529 10 99 8529 90 90	LCD/LED/OLED panels and other parts of LCD/LED/OLED TVs	7.5%/10%	15%
		Furniture		
16	9401	Seats and parts of seats [other than aircraft seats and their parts]	10%	20%
17	9403	Other furniture and parts	10%	20%
18	9404	Mattresses supports; articles of bedding and similar furnishing	10%	20%
19	9405	Lamps and lighting fitting, illuminated signs, illuminated name plates and the like [except solar lanterns or solar lamps]	10%	20%
20	9101, 9102	Wrist watches, pocket watches and other watches, including stop watches	10%	20%
21	9103	Clocks with watch movements	10%	20%
22	9105	Other clocks, including alarm clocks	10%	20%
		Toys and Games		
23	9503	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; puzzles of all kinds	10%	20%
24	9504	Video game consoles and machines, articles for funfair, table or parlor games and automatic bowling alley equipment	10%	20%
25	9505	Festive, carnival or other entertainment articles	10%	20%

26	9506 [except 9506 91]	Articles and equipment for sports or outdoor games, swimming pools and paddling pools [other than articles and equipment for general physical exercise, gymnastics or athletics]	10%	20%
27	9507	Fishing rods, fishing-hooks and other line fishing tackle; fish landing nets, butter fly nets and similar nets; decoy birds and similar hunting or shooting requisites	10%	20%
28	9508	Roundabouts, swings, shooting galleries and other fairground amusements; travelling circuses, traveling menageries and travelling theatres	10%	20%
		Miscellaneous items		
29	3406	Candles, tapers and the like	10%	25%
30	4823 90 90	Kites	10%	20%
31	9004 10	Sunglasses	10%	20%
32	9611	Date, sealing or numbering stamps, and the like	10%	20%
33	9613	Cigarette lighters and other lighters, whether or not mechanical or electrical, and parts thereof other than flints and wicks.	10%	20%
34	9616	Scent sprays and similar toilet sprays, and mounts and heads therefor; powder-puffs and pads for the application of cosmetic or toilet preparations.	10%	20%
B.	**Amendments not affecting rates of duty [to be effective from 02.02.2018]* [Clause 101(a) of the Finance Bill, 2018]**			
1	8507 60 00	Tariff rate of BCD on Lithium-ion batteries [The effective rate of import duty on Lithium-ion batteries [except those for cellular mobile phones will, however, remain unchanged at 10%.]	10%	20%
2	9018, 9019, 9020, 9021, 9022	Tariff rate of BCD on medical devices[The effective rates of BCD on such medical devices will, however, remain unchanged.]	7.5%	10%
C.	**Technical amendment not affecting rates of duty [Clause 101(b) of the Finance Bill, 2018]**			
1		Bifurcate the tariff item 0713 31 00 to create separate tariff items each for Moong Dal and Urad Dal.		
2		Omit tariff item 0904 22 12 and entries relating thereto and create new tariff item 1209 91 70, in relation to chilly seed of genus capsicum.		

3		Amend the tariff item 2917 39 20 to specify the isomers it covers.	3	

*Will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

II. AMENDMENT IN THE SECOND SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

S. No.	Amendment		
A	**Amendments not affecting rates of Export duty0**	**Rate of Duty**	
		From	**To**
1.	To insert a new Note to specify Nil rate of duty in respect of all other goods which are not covered under column (2) of the Schedule [Clause 102 (a) of the Finance Bill, 2018]	--	--
2	Electrodes of a kind used for furnaces [Clause 102 (b) of the Finance Bill, 2018]*[Introduction of 20% Tariff rate of Export Duty on Electrodes of a kind used for furnaces (8545 11 00). The effective rate of Export duty on such electrodes will, however, remain Nil]	--	20%

*Will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

III. OTHER PROPOSALS INVOLVING CHANGES IN BASIC CUSTOMS DUTY RATES

S. No.	Heading, sub-heading tariff item	Commodity	From	To
		Food processing		
1	0801 31 00	Cashew nuts in shell [Raw cashew]	5%	2.5%
2	2009 11 00, 2009 12 00, 2009 19 00	Orange fruit juice	30%	35%
3	2009 81 00,2009 90 00	Cranberry Juice	10%	50%
4	2106 90	Miscellaneous Food preparations (other than soya protein)	30%	50%
		Textiles		

5	5007	Silk Fabrics	10%	20%
		Capital goods and Electronics		
6	8504 90 90/3926 90 99	Printed Circuit Board Assembly (PCBA) of charger/adapter and moulded plastics of charger/adapter of cellular mobile phones	Nil	10%
7	Any Chapter	Inputs or parts for manufacture of: a) PCBA, or b) moulded plastics of charger/adapter of cellular mobile phones of cellular mobile phones	Applicable Rate	Nil
8	8483 40 00, 8466 93 90, 8537 10 00	Ball screws, linear motion guides, CNC systems for manufacture of all types of CNC machine tools falling under headings 8456 to 8463	7.5%	2.5%
9	70	Solar tempered glass or solar tempered [anti-reflective coated] glass for manufacture of solar cells /panels/modules	5%	Nil
10	70	Preform of silica for use in the manufacture of telecommunication grade optical fibres or optical fibre cables	Nil	5%
11	8529/4016	12 specified parts for manufacture of LCD/LED TV panels	Nil	10%
		Automobile and automobile parts		
12	8702,8703, 8704, 8711	CKD imports of motor vehicles, motor cars, motor cycles	10%	15%
13	8702, 8704	CBU imports of motor vehicles	20%	25%
		Diamonds and Precious stones		
14	71	Cut and polished colored gemstones;	2.5%	5%
15	71	Diamonds including lab grown diamonds-semi processed, half-cut or broken; non-industrial diamonds including lab-grown diamonds (other than rough diamonds), including cut and polished diamonds	2.5%	5%
		Medical Devices		
16	Any Chapter	Raw materials, parts or accessories for the manufacture of Cochlear Implants	2.5%	Nil
		Rationalization in Customs duty rates		

		Edible oils of vegetable origin		
17	1508, 1509, 1510,1512, 1513, 1515	Crude edible vegetable oils like Ground nut oil, Olive oil, Cotton seed oil, Safflower seed oil, Saffola oil, Coconut oil, Palm Kernel/Babassu oil, Linseed oil, Maize corn oil, Castor oil, Sesame oil, other fixed vegetable fats and oils.	12.5%	30%
18	1508, 1509, 1510,1512, 1513, 1515, 1516 20, 1517 10 21, 1517 90 10, 1518 00 11, 1518 00 21, 1518 00 31	Refined edible vegetable oils, like Ground nut oil, Olive oil, Cotton seed oil, Safflower seed oil, Saffola oil, Coconut oil, Palm Kernel/Babassu oil, Linseed oil, Maize corn oil, Castor oil, Sesame oil, other fixed vegetable fats and oils, edible margarine of vegetable origin, Sal fat; specified goods of heading 1518	20%	35%
		Refractory Items		
19	6815 91 00	Other articles of stone containing magnesite, dolomite or chromite	10%	7.5%
20	6901	Bricks, blocks, tiles and other ceramic goods of siliceous fossil meals or of similar siliceous earths	10%	7.5%
21	6902	Refractory bricks, blocks, tiles and similar refractory ceramic constructional goods, other than those of siliceous fossil meals or similar siliceous earths	5%	7.5%
22	6903	Other refractory ceramic goods	5%	7.5%

IV. Levy of Social Welfare Surcharge, as a duty of Customs on imported goods [Clause 108 of the Finance Bill, 2018]:

S. No.	Heading, sub-heading tariff item	Description	From	To
1	Any chapter	Levy of Social Welfare Surcharge on imported goods to finance education, housing and social security [clause 108 of Finance Bill, 2018]	--	10% of aggregate duties of customs
2	Any chapter	Abolition of Education Cess and Secondary and Higher Education Cess on imported goods [clause 106 of Finance Bill, 2018]	3% of aggregate duties of customs	Nil

			[2% + 1%]	
3	2710	Motor spirit commonly known as petrol and high speed diesel oil	--	3% of aggregate duties of customs
4	7106	Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured form, or in powder form	--	3% of aggregate duties of customs
5	7108	Gold (including gold plated with platinum), unwrought or in semi-manufactured form, or in powder form	--	3% of aggregate duties of customs
6	Any Chapter	Specified goods hitherto exempt from Education Cess and Secondary and Higher Education Cess on imported goods	--	Nil

V. Levy of the Road and Infrastructure Cess [Clause 109 of the Finance Bill, 2018]

S. No.	Heading, sub-heading tariff item	Description	From	To
1	2710	Levy of Road and Infrastructure Cess on imported motor spirit commonly known as petrol and high speed diesel oil [clause 109 of Finance Bill, 2018]	--	Rs. 8 per litre
2	2710	Exemption from additional duty of customs leviable under section 3(1) of the Customs Tariff Act, 1975 in lieu of the proposed Road and Infrastructure cess on domestically produced motor spirit commonly known as petrol and high speed diesel oil	--	Nil
3	2710	Abolition of Additional Duty of Customs [Road Cess] on imported motor spirit commonly known as petrol and high speed diesel oil [Clause 106 of Finance Bill, 2018]	Rs. 6 per litre	Nil
4	Additional duty of customs under sections 3(1) of the Customs Tariff Act, 1975 in lieu of basic excise duty			
	2710	(i) Motor spirit commonly known as petrol	Rs. 6.48 per litre	Rs. 4.48 per litre
	2710	(ii) High speed diesel oil	Rs. 8.33 per litre	Rs. 6.33 per litre

EXCISE

Note: "Basic Excise Duty" means the excise duty set forth in the Fourth Schedule to the Central Excise Act, 1944

I. PROPOSALS INVOLVING CHANGE IN EXCISE DUTY RATES:

		Commodity	Rate of Duty	
			From	To
I	Motor spirit commonly known as petrol and high speed diesel oil			
	1.	Levy of Road and Infrastructure Cess on motor spirit commonly known as petrol and high speed diesel oil [clause 110 of Finance Bill, 2018]	--	Rs. 8 per litre
	2.	Abolition of Additional Duty of Excise [Road Cess] on motor spirit commonly known as petrol and high speed diesel oil [clause 106 of Finance Bill, 2018]	Rs. 6 per litre	Nil
	3.	Basic excise duty on:		
		(i) Unbranded Petrol	Rs. 6.48 per litre	Rs. 4.48 per litre
		(ii) Branded petrol	Rs. 7.66 per litre	Rs. 5.66 per litre
		(iii) Unbranded diesel	Rs. 8.33 per litre	Rs. 6.33 per litre
		(iv) Branded diesel	Rs. 10.69 per litre	Rs. 8.69 per litre
	4.	Road and Infrastructure Cess on (i) 5% ethanol blended petrol, (ii) 10% ethanol blended petrol and (iii) bio-diesel, up to 20% by volume, subject to the condition that appropriate excise duties have been paid on petrol or diesel and appropriate GST has been paid on ethanol or bio-diesel used for making such blends	--	Nil
	5.	Road and Infrastructure Cess on petrol and diesel manufactured in and cleared from 4 specified refineries located in the North-East	--	Rs. 4 per litre