GST Café

DEVELOPMENTS THIS WEEK

GST RATES: Following four tier GST rates have been finalized by the GST Council in its meeting on 3rd November, 2016 :-

Rate	Description
5%	Lower rate for mass consumption goods i.e. medicines, spices etc.
12%	Merit rate for necessity goods
18%	Standard rate for all common goods
28%	Higher rate for luxury and demerit goods
28%+ cess	Luxury cars, tobacco, pan masala, aerated drinks

Cess collection, to be deposited in compensation pool, which will be used to compensate states for five years.

Zero tax rate will apply to 50% of the items present in the Consumer Price Index basket, including foodgrains such as rice and wheat.

A technical committee comprising Central and State government officials constituted to finalize the allocation of products/services into different rate categories.

The tax rate on gold will be decided after this allocation of products/services.

KEY GST ISSUE BEING HIGHLIGHTED THIS WEEK

FURTHER DEVELOPMENTS: The GST Council will now take up the prickly issue of administrative control over assessees. The Union has proposed "cross-empowerment" whereby both the Centre and State governments will have powers to scrutinize/audit assessees.

IGST and CGST bills, framed on the basis of Model law, to be tabled in the winter session of Parliament.

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