

25th GST Council Meeting – GST Rate Changes & Summary

The 25th GST Council Meeting was held at New Delhi on the 18th of January 2018. In addition to relaxation of GST rules and regulations, GST rates have also be reduced for various goods and services as below:

GST Rates Revised

- Rates revised for 29 goods, 53 services categories.

Changes in rate of GST (Goods) effective from 25 January 2018

Particulars	Present rate	Recommended rate
Old and used motor vehicles (medium and large cars, and Sport Utility Vehicles (SUVs)) on the margin of the supplier, subject to the condition that no ITC of central excise duty/Value Added Tax (VAT) or GST paid on such vehicles have been availed by him.	28%	18% compensation cess reduced to nil)
Buses, for use in public transport, which exclusively run on biofuels.	28%	18%
All types of old and used motors vehicles (other than medium and large cars and SUVs) on the margin of the supplier of subject to the conditions that no ITC of central excise duty/VAT or GST paid on such vehicles have been availed by him.	28%	12% (compensation cess reduced to nil)
Diamonds and precious stones	3%	0.25%
Sugar boiled confectionary	18%	12%
Drinking water packed in 20 litres bottles	18%	12%
Bio-diesel	18%	12%
Drip irrigation system including laterals, sprinklers, etc.	18%	12%
Liquid Petroleum Gas (LPG) supplied to domestic household consumers by private LPG distributors.	18%	5%

- **Changes in rate of GST (services) effective from 25 January 2018**

Particulars	Present rate	Recommended rate
Construction of metro and monorail projects (construction, erection, commissioning or installation of original works).	18%	12%
Tailoring service	18%	5%
Services by way of admission to theme parks, water parks, joy rides, merry-go-rounds, go-carting and ballet	28%	18%
Works Contract Services (WCS) provided by sub-contractor to the main contractor providing WCS to Government	18%	12%
Common effluent treatment plants services for the treatment of effluents	18%	12%

Exemption in rate of GST (services) effective from 25 January 2018

- GST exemption on Viability Gap Funding (VGF) for a period of three years from the date of commencement of Regional Connectivity Scheme airports from the present period of one year.
- Exemption on legal services provided to the government, local authority, governmental authority and government entity.
- Exempt services by way of Transportation of goods from India to a place outside India by air up to 30 September 2018
- Exempt services by way of Transportation of goods from India to a place outside India by sea up to 30 September 2018.
- Temporary transfer or permitting the use or enjoyment of any intellectual property right on which customs duty is applicable under Rule 10 (c) of the Customs Valuation Rules, 2007.
- Expansion in the definition of pure service provided to the government entity to make it exempt.
- To exempt (a) services by government or local authority to governmental authority or government entity, by way of lease of land, and (b) supply of land or undivided share of land by way of lease or sub lease where such supply is a part of specified composite supply of construction of flats etc. and to carry out suitable amendment in the provision relating to valuation of construction service involving transfer of land or undivided share of land, so as to ensure that buyers pay the same effective rate of GST on property built on leasehold and freehold land.

- Enhancement in the exemption limit of INR 5,000 per month per member to INR 7,500 in respect of services provided by resident welfare association (unincorporated or non-profit entity) to its members against their individual contribution.

Penalty for Late Filing GST Return Reduced to Rs.50 / Rs.20 for NIL Return

- The late fee for delayed filing of GSTR-1, GSTR-5 & GSTR-5A is being reduced to Rupees Fifty per day and shall be Rupees Twenty in case of Nil returns.
- The late fee for delayed filing of GSTR-6 shall be Rupees Fifty per day.

Cancellation of GST Registration

- Taxable persons who have obtained voluntary registration will now be permitted to apply for cancellation of registration even before the expiry of one year from the effective date of registration.
- For migrated taxpayers, the last date for filing **FORM GST REG-29** for cancellation of registration is being extended by further three months till 31st March, 2018.

E-Way Bill Introduced

- The facility for generation, modification and cancellation of e-way bills is being provided on trial basis on the portal **ewaybill.nic.in**. . Once the system is ready, the GST e-way bill system will be made available on ewaybillgst.gov.in.
- Certain modifications are being made to the e-way bill rules which are to be notified nationwide for inter-State movement with effect from 01.02.2018 and for intra-State movement with effect from a date to be announced separately by each State but not later than 01.06.2018.

Handicraft and Agriculture products

- 29 Handicraft items have been put in 0% slab. GST rates have also been reduced in few agricultural products

Uploading of Purchases and Sale Invoices

The GST Council also discussed how buyers should upload purchases invoices, and the sellers should upload sale invoices