

Govt panel on GST rate revision to meet this month, likely to discuss tax slabs

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The Group of Ministers on Goods and Services Tax rate rationalisation are expected to meet on 17 June, reported news agency PTI on 15 June. The panel of ministers are most likely to discuss possible tweaking in tax rates and may make changes in the tax slab.

However, the final report of the panel would take some more time.

Comprising of finance ministers of the Centre and states, the GST Council is most likely to meet by the end of this month and will discuss rate rationalisation issues.

Considering the inflation at record high -- wholesale inflation in May raced to 15.88 per cent, there is hardly any scope for rationalisation of GST rates on goods and services at present, a finance ministry source said.

Earlier in 2021, the GST Council had set up a 7-member panel of state ministers, headed by Karnataka Chief Minister Basavaraj Bommai, to suggest ways to augment revenue by rationalising tax rates. It last met in November 2021.

During the meeting, the council mandated to review items under an inverted duty structure to help minimise refund payout and review the GST exempt list to expand the tax base and eliminate the breaking of the input tax credit (ITC) chain.

According to the GST structure, a four-rate methods exempts or imposes a low rate of tax of 5 per cent on essential items, while levies a top rate of 28 per cent on luxury and demerit goods. Other rates of the GST slab includes 12 and 18 per cent respectively. Apart from this, a tax of 28 per cent on luxury, demerit and sin goods are levied by the government.