

## **Decisions taken by the GST Council in the 17th meeting - 18 June 2017**

### **I. Decisions with respect to GST rates for Services**

1. It has been decided in respect of the service of transport of goods by a vessel that GST rate of 5% will be available with ITC in respect of input services and GST paid on ships, vessels including bulk carriers and tankers.
2. It has been decided that accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes where room tariff is ₹ 2500/- and above but less than ₹ 7500/- per room per day shall attract GST rate of 18% with full ITC.
3. Accommodation in hotels including 5 star and above rated hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, where room rent is ₹ 7500/- and above per day per room shall attract GST rate of 28% with full ITC.
4. Supply of Food/drinks in air-conditioned restaurant in 5-star or above rated Hotel shall attract GST rate of 18% with full ITC.

Accordingly, the following entries of the schedule of GST Rates for Services as approved by the GST Council shall be modified as under:

<b>Sl. No.</b>	<b>Description of Services</b>	<b>GST Rate</b>
5	Transport of goods in a vessel including services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India	5% with ITC of input services and ITC of GST paid on ships, vessels including bulk carriers and tankers
24	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes where room tariff is ₹ 2500/ and above but less than ₹ 7500/- per room per day	18% With Full ITC
31	Supply of Food/drinks in air-conditioned restaurant in 5-star or above rated Hotel	18% With Full ITC
32	Accommodation in hotels including 5 star and above rated hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, where room rent is ₹ 7500/- and above per room per day	28% With Full ITC

### **II. It has been decided that supply of lottery shall attract GST rates as under –**

1. Lottery run by State Governments – 12% of face value of lottery ticket
2. Lottery authorized by State Governments – 28% of face value of lottery ticket

**RECOMMENDATIONS REGARDING THE COMPOSITION LEVY AND GST RATE ON CERTAIN GOODS**

[As per discussions in the 17th GST Council Meeting held on 18th June, 2017]

**I. The Turnover Limit for the Composition Levy:**

1. The GST Council, in its meeting held on 11th June, 2017, had recommended increase in the turnover limit for Composition Levy for CGST and SGST purposes from ₹ 50 lakh to ₹ 75 lakh for all eligible registered persons. However, no clear view was taken as to whether or not this increased turnover limit will apply in case of Special Category States.

2. In its meeting held on 18th June, 2017, the GST Council has recommended that the turnover limit for Composition Levy for CGST and SGST purposes shall be ₹ 50 lakh in respect of the following Special Category States namely:

1. Arunachal Pradesh,
2. Assam,
3. Manipur,
4. Meghalaya,
5. Mizoram,
6. Nagaland,
7. Sikkim,
8. Tripura, and
9. Himachal Pradesh.

3. The Council has also recommended that in case of Uttarakhand, the turnover limit for Composition Levy for CGST and SGST purposes will be ₹ 75 lakh.

4. For the State of Jammu & Kashmir the turnover limit for the Composition levy will be decided in due course.

**II. Manufacturers of goods who will not be eligible for Composition Levy:**

The GST Council has also recommended that manufacturers of the following goods shall not be eligible for the Composition Levy:

S. No.	Classification (Tariff item / Chapter)	Description
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20	Pan masala
3	24	Tobacco and manufactured tobacco substitutes

**III. GST RATE ON CERTAIN GOODS:**

1. The GST Council also recommended that the GST rate on dried singhada and makhana will be 5%.