

## 27<sup>TH</sup> GST COUNCIL MEETING DISCUSSES CHANGE IN GST RATE FOR DIGITAL TRANSACTIONS AND IMPOSITION OF SUGAR CESS<sup>1</sup>

### 1. Incentive to promote Digital Transactions:

- a. Keeping in view the need to move towards a less cash economy, the Council has discussed in detail the proposal of a concession of 2% in GST rate [where the GST rate is 3% or more, 1% each from applicable CGST and SGST rates] on B2C supplies, for which payment is made through cheque or digital mode, subject to a ceiling of Rs. 100 per transaction, so as to incentivise promotion of digital payment.
- b. The council has recommended for setting up of a Group of Ministers from State Governments to look into the proposal and make recommendations, before the next Council meeting, keeping in mind the views expressed in GST Council.

### 2. Imposition of Sugar Cess over and above 5% GST and reduction in GST rate on ethanol:

- a. Keeping in view the record production of sugar in the current sugar season, and consequent depressed sugar prices and build-up of sugarcane arrears, the Council discussed the issue of imposition of sugar cess and reduction in GST rate on ethanol in great detail.
- b. The council has recommended for setting up of a Group of Ministers from State Governments to look into the proposal and make recommendations, within two weeks, keeping in mind the views expressed in GST Council in this regard.

## TWO GROUP OF MINISTERS CONSTITUTED TO CONSIDER THE ISSUES RELATING TO “INCENTIVIZING DIGITAL PAYMENTS IN THE GST REGIME” & “IMPOSITION OF CESS ON SUGAR UNDER GST”<sup>2</sup>

Subsequent to the decisions taken in the 27<sup>th</sup> GST Council meeting held on May 4, 2018, two Group of Ministers (GoMs) have been constituted.

- The first GoM shall consider the issues relating to “Incentivizing digital payments in the GST regime”. Shri Sushil Kumar Modi, Deputy Chief Minister, Bihar is convenor and other members of this GoM are Shri Nitin bhai Patel, Dy. Chief Minister, Gujarat; Capt. Abhimanyu, Excise & Taxation Minister, Haryana; Dr. Amit Mitra, Finance Minister, West Bengal and Shri Manpreet Singh Badal, Finance Minister, Punjab.
- The Second GoM shall consider issues relating to “Imposition of Cess on Sugar under GST”. Shri Himanta Biswa Sarma, Finance Minister of Assam is convenor and other members of this GoM are Shri Rajesh Agrawal, Finance Minister, Uttar Pradesh; Shri Sudhir Mungatiwar, Finance Minister, Maharashtra; Shri D. Jayakumar, Minister for Fisheries and Personnel & Administrative Reforms, Tamil Nadu and Dr. T.M. Thomas Isaac, Finance Minister, Kerala.

Both the GoMs shall submit their reports within a period of 15 days.

### Team ICSI

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<sup>1</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1531394>

<sup>2</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1531394>