



Week of 24th December, 2018

PROPOSED CHANGES IN THE GST LAW

The 31st GST Council meeting held on 22nd December, 2018 has proposed various amendments in the GST law. Some of the key changes are discussed below. These changes will be effective once notified.

GST rate changes on services

- GST rate on cinema tickets above Rs. 100 shall be reduced from 28% to 18%.
- GST rate on cinema tickets upto Rs. 100 shall be reduced from 18% to 12%.
- GST rate on third party insurance premium of goods carrying vehicles shall be reduced from 18% to 12%.
- Services supplied by banks to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY) shall be exempted.
- Air travel of pilgrims by non-scheduled/charter operations, for religious pilgrimage facilitated by the government of India under bilateral arrangements shall attract the same rate of GST as applicable to similar flights in economy class (i.e. 5% with ITC of input services).

GST rate changes on goods

- GST rate on pulleys, transmission shafts and cranks, gear boxes etc, falling under HSN Code 8483 shall be reduced from 28% to 18%.
- GST rate on monitors and TVs of upto screen size of 32 inches shall be reduced from 28% to 18%.
- GST rate on re-treaded or used pneumatic tyres of rubber shall be reduced from 28% to 18%.
- GST rate on power banks of lithium ion batteries shall be reduced from 28% to 18%.
- GST rate on digital cameras and video camera recorders shall be reduced from 28% to 18%.
- GST rate on video game consoles and other games and sports requisites falling under HS code 9504 shall be reduced from 28% to 18%.
- GST rate on parts and accessories for the carriages for disabled persons shall be reduced from 28% to 5%.

Other changes

- The GST Council has agreed to set up a centralized Appellate Authority for Advance Ruling to deal with the conflicting decisions made by two or more state AARs on same issue.
- The GST Council approves the online refund application process. Therefore, there will be no requirement to visit a tax officer in person for submission of refund application.

- The GST Council recommends waiver of late fees for all tax payers in case of GSTR 1, GSTR 3B and GSTR 4 for specified months and quarters. However, if any late fees are paid by tax payers for late filing of these returns, the tax payer shall not be eligible for credit of the fees paid.
- The GST Council recommends extension of due date to file GSTR 9, GSTR 9A and GSTR 9C for financial year 2017 -2018 by 30th June, 2019. It further recommends an extension to file GSTR 8 for October 2018 to December 2018 by 31st January, 2019. Additionally, it also recommends the extension to file GST ITC 04 for July 2017 to December 2018 by 31st March, 2019.
- The GST Council also discussed that the new return filing system shall be introduced on a trial basis from 1st April, 2019 and will become effective from 1st July, 2019.
- The GST Council has proposed to extend the composition scheme for small service providers. This scheme is currently available to registered business with specified turnover limit.
- The GST Council meeting has also discussed giving a last chance to taxpayers for migration from service tax or VAT to GST before 31st January, 2019. Also, the due date for filing GSTR-3B and GSTR-1 for July 2017 to February 2019 by such taxpayers will be extended till 31st March, 2019.

Glossary

AAR – Authority for Advance Ruling
GST – Goods and Services Tax
GSTR – Goods and Services Tax Return
ITC – Input Tax Credit
VAT – Value Added Tax

GST Council- Goods and Services Tax Council, a constitutional body comprising of members of the Central and the State Governments to recommend changes under the existing GST regime.

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