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### Important GST rate changes effective from July 18, 2022

CBIC notifies various decisions on change in GST rates taken in the 47th GST Council meeting, with effect from July 18, 2022:

#### A. GST rate changes on GOODS

##### 1. Impacting the Common man

- ✓ **Exemption** for following **pre-packaged and labelled products** (as per Legal Metrology Act, 2009) has now been **withdrawn** irrespective of whether bearing a brand name or not and GST is to levied at 5%/12%:

Taxable @5%		Taxable @12%	
Curd; Lassi; Butter milk	Chena or paneer	Natural honey	Tender coconut water
Dried makhana	Rice	Wheat and meslin	
Rye	Barley	Oats	
Maize Corn	Grain sorghum	Wheat or meslin flour	
Buckwheat, millet and canary seed; other than cereals such as Jawar, Bajra, Ragi	Cereal flours other than of wheat or meslin i.e. maize (corn) flour, Rye flour, etc.	Cereal groats, meal and pellets, including suji and dalia	
Dried leguminous vegetables, shelled	Meat and edible meat offal	Fish and crustaceans, molluscs and other aquatic invertebrates	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, frozen, whether or not sliced or in the form of pellets
Meal, powder, Flour flakes, granules and pellets of potatoes	Animal or vegetable fertilisers or organic fertilisers	Jaggery of all types; Khandsari Sugar	
Guts, Bladders And Stomachs Of Animals (Other Than Fish), Whole And Pieces Thereof, Fresh, Chilled, Frozen, Salted, In Brine, Dried Or Smoked	Meal and powder of the dried leguminous vegetables of heading 0713 (pulses) other than guar meal and guar gum refined split, of sago or of roots or tubers or of Chapter 8	Puffed rice (Muri), flattened or beaten rice (Chira), parched rice (Khoi), parched paddy or rice coated with sugar or gur (Murki)	

- ✓ **Mangoes** (other than mangoes sliced, dried), earlier exempted, now taxable at **12%**
- ✓ **Blades, paper-cutting scissors, pencil sharpeners, spoons, forks, ladles, skimmers, and cake-servers:** GST increased from 12% to **18%**
- ✓ **Cheque books or cheques in loose form** issued by banks: earlier exempted, now taxable **@18%**
- ✓ **Maps** and similar charts of all kinds, including **atlases**, wall maps, topographical plans and globes, printed: earlier exempted, now taxable **@12%**
- ✓ GST on **LED lamps** and **LED lights** increased from 12% to **18%**





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#### 2. Other relevant goods

Description of Goods	Earlier Rate	New rate
Leather including Chamois and Composition leathers	5%	12%
E-waste	5%	18%
All Goods, including printing ink, writing or drawing ink and other inks, whether or not concentrated or solid, fountain pen ink, ball pen ink	12%	18%

#### 3. Purified water exempted

4. **Rationalisation** of tax on goods supplied for **Petroleum/Coalbed Methane operations** by increasing **concessional tax** from 5% to 12%

5. **Fly ash bricks** to attract same concessional rate irrespective of fly ash content

6. **No refund** of accumulated unutilised ITC on supply of **edible oils** and **Coal**, lignite and peat to **remove Inverted Duty Structure**

#### B. GST rate changes on SERVICES

##### 1. Goods Transport Agency (GTA)

✓ GTA has following **three options**:

- Reverse charge @5% without ITC
- **Forward Charge @5% without ITC**
- Forward charge @12% with ITC

✓ The option by GTA to pay GST on forward charge basis during a Financial Year shall be exercised by making a **declaration** in the prescribed format on or before the 15th March of the preceding Financial Year.

✓ For **FY 2022-2023**, the option shall be **exercised on or before August 16, 2022**, however, invoices for supply under forward charge can be issued till such date.

##### 2. Withdrawal of Exemptions

✓ **Hotel rooms with less than ₹1,000/- per day**, which was earlier exempted, is now taxable @ 12%

✓ Rooms provided by **clinical establishments** (except ICU/CCU/ICCU/NICU) having **room charges exceeding ₹5,000/- per day per patient** which was earlier exempted is now taxable @ 5%

✓ **Residential dwelling rented to a registered person**, taxable under **reverse charge mechanism**

✓ Services provided by a **GTA** where freight upto ₹1500 for single consignment carriage and freight upto ₹750 per consignment for multiple consignment carriage





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- ✓ Transportation by rail/vessel of railway equipment and material
- ✓ **Storage or warehousing of agricultural produce:** nuts, spices, copra, sugarcane, Jaggery, cotton, flax, jute, indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea
- ✓ **Treatment or disposal of biomedical waste** or the processes incidental thereto by a common bio-medical waste treatment facility to a clinical establishment withdrawn and now it would be taxable @ 12%
- ✓ Services provided by **department of post** irrespective of the status of recipient, taxable under RCM
- ✓ Services provided by the **RBI, IRDAI, SEBI, FSSAI, GSTN,**
- ✓ Services provided by way of **fumigation in a warehouse** of agricultural produce
- ✓ Services by way of **training or coaching in recreational activities** relating to arts or culture provided by persons other than an individual

#### 3. Other relevant changes

- ✓ **Renting of goods carriage** where the cost of fuel is included in the consideration charged from the service recipient would be taxable @ 12% instead of 18%
- ✓ Transport of passengers, with or without accompanied belongings, and transport of goods by **ropeways** would be taxable @5% instead of 18% provided ITC has not been taken on goods used in supplying the service
- ✓ **Works contract services** would be taxable @18% instead of 12% when supplied to Central and State Governments and Local Authorities for historical monuments, canal, dam, pipelines, plants for water supply, educational institutional, hospitals, etc. and subcontract thereof
- ✓ **Works contract services** for roads, bridges, railways, effluent treatment plant, crematorium, affordable residential apartments, etc. would be taxable @18% instead of 12%
- ✓ Works contract would be taxable @12% instead of 5% when supplied to Central and State Governments and Local Authorities involving **predominantly earth work** (>75%) and sub-contracts thereof.
- ✓ Services by way of **job work** in relation to Processing of hides, skins and leather, manufacture of leather goods or foot wear falling, manufacture of clay bricks would be taxable @18% instead of 5%

#### 4. Tour Operator Service

Exemption to be provided on **tour operator service, performed partly in India and partly outside India**, supplied by a tour operator **to a foreign tourist**. Exemption amount to be **lower of:**

- ✓ Proportion of total consideration equal to number of days of tour performed outside India to the total number of days of tour; or
- ✓ 50% of the total consideration

