Lakshmikumaran & Sridharan attorneys

L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

L&S GST Update
No. 34 of 2017

GST Rates for goods and services notified

Rates of tax on goods and services under CGST Act, IGST Act and UTGST Act notified

- Central Government has notified rates for supply of goods and services, under Central GST Act, Integrated GST Act and Union Territory GST Act
- The above tax rates have been provided under various Schedules under the relevant notifications
- GST Compensation Cess Rate Schedule both for goods and services has also been notified
- GST Rate Schedules for goods mention Chapter Number and Heading at 4 digit level
- GST Rates for services also classify services as per scheme of classification of services

CGST Rates for goods

- ***Schedule - I*** - Goods falling under 263 Headings will be liable to CGST @ 2.5%
- ***Schedule - II*** – Goods falling under 243 Headings will be liable to CGST at the rate of 6%
- ***Schedule - III*** – Goods falling under 452 Headings will be liable to CGST at the rate of 9%. Goods not specified under any schedule to be taxed at 9%.
- ***Schedule - IV*** – Goods under 228 Headings, and lottery to be taxed at the rate of 14% (CGST)
- ***Schedules - V & VI*** – Gold, silver, precious stones, etc., will be taxed at the rate of 1.5% CGST, while unworked diamonds, precious/semi-precious stones and Synthetic or reconstructed precious or semi-precious stones will be liable to tax at the rate of 0.125%

Note: With equal amount of SGST, the total applicable rate will be twice as mentioned above

CGST Rates for goods (contd.)

- "Tariff item", "sub-heading" "heading" and "Chapter" will mean a tariff item, sub-heading, Heading and Chapter as specified in First Schedule to Customs Tariff Act, 1975
- Rules for interpretation of First Schedule to Customs Tariff Act including the Section and Chapter Notes and General Explanatory Notes, applicable

- Iron and steel, copper, aluminium goods mostly covered under 9% CGST slab
- Food products mostly covered under 2.5% rate of CGST
- Machinery, including electric machinery liable for 9% CGST
- Tobacco products, marble, cement liable for 14% CGST
- Air-conditioners, refrigerators, washing machines, liable for 14% CGST
- Motor vehicles for transport of goods or persons, including parts and accessories covered under 14% CGST slab

Note: With equal amount of SGST, the total applicable rate will be twice as mentioned above

CGST Rates for Services

- CGST rates for services, also under slabs of 2.5%, 6%, 9% and 14% (with SGST the rates will be twice – 5%, 12%, 18% and 28% respectively)

CGST Rate for certain services

Description of service	CGST Rate
Transport of goods by GTA (including used household goods for personal use)	2.5%, subject to conditions
Construction of a complex, building, civil structure or a part thereof, intended for sale to a buyer, wholly or partly. [Value of land /undivided share to be excluded – one third of total value deemed to be land value]	9%
Composite supply of Works Contract	9%
Supply of food or drinks in outdoor catering	9%
All other services not specified elsewhere	9%

Tariff Schedules to be referred for appropriate classification

- For both goods and services, respective Schedules may be referred.

- Notification Nos. 1/2017-Central Tax (Rate) and 11/2017-Central Tax (Rate); 1/2017-Integrated Tax (Rate) and 8/2017-Integrated Tax (Rate); and 1/2017-Union Territory Tax (Rate) and 11/2017-Union Territory Tax (Rate), have been issued for this purpose.

- These documents are available in www.cbec.gov.in and www.gst.lakshmisri.com

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