



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalsivam Kamarajar"

GST Council

Published On: 18-12-2022

Why is in news? GST Council decides to reduce tax rates on Ethyl alcohol from 18 to 5 pc; Abolishes tax rate on husk of pulses including chilka

The GST has been reduced on husk on pulses from 5 per cent to nil. Ethyl alcohol supplied to refineries for blending with motor spirit or petrol was also cut down to 5 per cent from 18 per cent.

It was also decided that no GST is payable where the residential dwelling is rented to a registered person if it is rented in his or her personal capacity for use as his or her own residence and on his own account and not on account of his business.

A major decision was also taken to facilitate e-commerce for micro-enterprises. The council decided to allow the e-commerce operators to supply the products of unregistered vendors, dealers as well as composition taxpayers.

Besides, the Council also decided that incentives paid to banks by Central Government under the scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.

GST Council:

The Constitution (**One Hundred and First Amendment**) Act, 2016 on 8th of September, 2016 gave rise to the GST Act.

Since then the GST council has been notified bringing into existence the **Constitutional body** to decide issues relating to GST.

As per **Article 279A** of the amended Constitution, the GST Council which will be a **joint forum of the Centre and the States**, shall consist of the following members: - (a) Union Finance Minister - Chairperson (b) The Union Minister of State, in-charge of Revenue or finance - Member (c) The Minister In-charge of finance or taxation or any other Minister nominated by each State Government – Members

As per Article 279A (4), the Council will **make recommendations to the Union and the States on important issues related to GST**, like the goods and services that may be subjected or exempted from GST, model GST Laws, principles that govern Place of Supply, threshold limits, GST rates including the floor rates with bands, special rates for raising additional resources during natural calamities/disasters, special provisions for certain States, etc.

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