

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.1633

TO BE ANSWERED ON FRIDAY THE 27TH JULY, 2018
SHRAVANA 5, 1940 (SAKA)

GST REFORMS

1633. SHRI A. ARUNMOZHITHEVAN:

Will the Minister of FINANCE be pleased to state:

(a) whether removing the highest 28 per cent slab and a uniform rate of cess would be the first step for further simplification of the Goods and Services Tax (GST) and if so, the details thereof;

(b) whether the stigmatized capitalism is blocking reforms and makes decisions involving private sector difficult; and

(c) if so, the reasons and the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a): Though having a uniform GST / compensation cess rate may simplify the rate structure, keeping in view the socioeconomic conditions and strata of the country and the pre-GST tax incidence on various goods and services, GST rate structure with four tax rates of 5%, 12%, 18% and 28% beside the nil rate have been prescribed by the GST Council. Further, few supplies attract compensation cess at specified rates for a specific purpose of compensating the states. The GST Council has in its various meetings, reviewed the GST rates and has recommended changes.

The 28% rate list for goods has been pruned significantly in last one year [from 228 items to 33 items]. Similarly, in services, out of 4 categories initially at 28%, on one sub-category the rate has been reduced to 18%.

(b): No madam.

(c): Does not arise in view of (b) above.
