

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

UNSTARRED QUESTION NO.17

TO BE ANSWERED ON MONDAY THE 14TH SEPTEMBER, 2020
BHADRAPADA 23, 1942 (SAKA)

GST ON ELECTRIC TWO WHEELERS

17. SHRI ACHYUTANANDA SAMANTA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Goods and Services Tax (GST) Council has considered reduction of GST on affordable and electric two wheelers, considering they are a basic necessity for most Indian citizens;

(b) if so, the details thereof;

(c) whether the Government has taken note of the fact that with the advent and the after effects of COVID - 19, more and more people will be inclined towards personal modes of transportation;

(d) if so, whether the Government has any plans of reducing the GST rates on two-wheelers to make it more accessible to the average citizens; and

(e) if so, the timeline fixed in this regard and if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) and (b): GST rate on electric vehicles (including electric two-wheelers) was considered in the 36th Council Meeting held on 27th July, 2019. In this meeting, the Council approved reduction of GST rate on all electric vehicles from 12% to 5%. Accordingly, notification No. 12/2019-Central Tax (Rate) dated 31st July, 2019 was issued whereby GST rate on electrically operated vehicles (including two wheelers) was brought down to 5%.

(c), (d) and (e): Change in rate of GST is made on the basis of recommendations of the GST Council. At present, there is no recommendation from GST Council regarding reduction of GST rate on two-wheelers.
