

50th GST Council Meeting

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Why in News?

- The Goods and Services Tax (GST) Council, in its 50th meeting, decided to levy a uniform 28% tax on full face value for online gaming, casinos and horse-racing, while reducing the rate for uncooked/ unfried snack pellets, cancer medicine and imitation zari thread.

What Exactly is the Goods and Services Tax (GST)?

- It is an **indirect tax** (not directly paid by customers to the government), that came into effect from **1 July 2017** through the implementation of the **101st Amendment to the Constitution of India** by the Indian government.
- It has actually **replaced** various indirect taxes such as – service taxes, VAT, excise and others in the country.
- It is **levied on the manufacturer or seller** of goods and the providers of services.
- It is divided into five different tax slabs for collection of tax – **0%, 5%, 12%, 18% and 28%**.
- **Types of GST:** State Goods and Services Tax (SGST), Central Goods and Services Tax (CGST) and the Integrated Goods and Services Tax (IGST, on exports and imports).

What is the GST Council?

- **Article 279A** of the Indian Constitution gives power to **the President of India** to constitute a joint forum of the Centre and States called the GST Council, consisting of the –
 - Union Finance Minister – **Chairperson**
 - The Union Minister of State, in-charge of Revenue of finance – **Member**
 - The Minister in-charge of finance or taxation or any other Minister nominated by each State Government – **Members**
- The GST Council is **an apex committee** to modify, reconcile or to make recommendations to the Union and the States on GST, like the goods and services that may be subjected or exempted from GST, model GST laws, etc.
- Decisions in the GST Council are taken **by a majority** of not less than three-fourth of weighted votes cast.
 - **Centre** has one-third weightage of the total votes cast and **all the states taken together** have two-third of weightage of the total votes cast.
 - All decisions taken by the GST Council have been arrived at through **consensus**.

News Summary Regarding Decisions Taken at the 50th GST Council Meeting:

- **Levy 28% GST on online gaming, horse racing, casinos on full value:**
 - The GST council agreed that there should be **no distinction between ‘game of skill and game of chance.’**
 - While the Group of Ministers (GoM) in their previous meeting broadly agreed for the proposed taxes on the said activities, **there was no consensus on online gaming** as Goa proposed to impose only 18% tax on platform fees.
 - According to online gaming companies, 28% GST **will not only hamper online gaming platforms’ capacity to develop new games and technologies but will also undermine their competitiveness in the market.**
- **Tax on food and beverages in Cinema Halls:**

- The council announced that the GST on restaurants inside Cineplex **will attract 5% GST against 18% earlier.**
- **Before the change**, movie tickets below Rs 100 were taxed at 12%, while those above the threshold attracted 18% GST.
- **The entire supply (tickets + eatables)** should be treated as composite supply and taxed as per the applicable rate of the principal supply, which in this case is cinema ticket.
- **Council to exempt GST on cancer drugs:**
 - Further, the meeting also decided to exempt GST on import of cancer drug Dinutuximab, and Food for Special Medical Purposes (FSMP) used in the treatment of rare diseases.
 - **Currently, the drug attracts a 12% integrated GST.**
- **Council on Taxation on MUV:**
 - The GST Council also decided on the definition of utility vehicles and tightening of norms for registration.
 - A clarity on taxation of Multi Utility Vehicles (MUV) was provided. The Council has agreed to the recommendation to levy a **22% compensation cess for MUV**, but Sedan has not been included in the list.
- **Council to set up appellate tribunal:** The Finance Minister has said that many states during the meeting have requested for benches. She added that no request will be denied.

Q1) What is Direct tax code (DTC)?

Through the Direct Taxes Code (DTC), the government aims to simplify the structure of direct tax laws in India into a single legislation. The DTC will replace the Income-tax Act, 1961, and other direct tax legislation like the Wealth Tax Act, 1957.

Q2) What was the name of the first committee formed to design GST?

In 1999, the Vajpayee government appointed Asim Dasgupta as the head of the first committee to design a GST model.

Source: [GST Council: 28% tax on online gaming, casinos and horse-racing](#) | [Tol](#)

Source: <https://vajiramandravi.com/current-affairs/gst-council-28-tax-on-online-gaming-casinos-and-horse-racing/>

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