



GST Council Meet

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Why in News

Recently, **GST Council** held its **38th meeting** with a first time **vote on a proposal to tax all lotteries** at the **uniform rate of 28%**.

The vote went in favour (**21 states voted for and 7 states voted against**) of the proposal and a uniform tax rate will come into **effect from March 1, 2020**.

Key Points

- At present, there is a dual rate regime for lotteries, with **state-run lotteries taxed at 12%**, while **state-authorized lotteries** (run by **private players**) face a **28% tax rate**.
- The Council also **decided to waive the late fee for GSTR-1 (monthly return that summarizes all sales/outward supplies of a taxpayer) taxpayers** who have not filed returns from July 2017 to November 2019 if all the returns are filed by January 10, 2020.

If this deadline is missed, then e-way bills will be blocked for defaulters.

- In **Jammu and Kashmir and the northeastern states, tax filing deadline** for November has been **extended** to the end of the year keeping in mind the situation.
- To **facilitate the setting up industrial parks**, the Council has decided that all entities with **20% ownership** by **central or state governments** will be exempt from GST payable for long-term land leases from January 1, 2020.

Earlier, only entities with a **50%** government stake were exempt.

- It also imposed a **uniform tax rate of 18%** on **woven and non-woven bags** from **January 1, 2020**.

GST Council

- It is a **constitutional body** under **Article 279A**. It makes recommendations to the Union and State Government on issues related to **Goods and Service Tax** and was introduced by the **Constitution (One Hundred and First Amendment) Act, 2016**.

- The GST Council is **chaired by the Union Finance Minister** and other members are the Union State Minister of Revenue or Finance and Ministers in-charge of Finance or Taxation of all the States.
- It is considered as a federal body where both the centre and the states get due representation.
- Every decision of the Goods and Services Tax Council shall be taken at a meeting by a **majority of not less than three-fourths of the weighted votes of the members present and voting**, in accordance with the following principles, namely:
 - the vote of the Central Government shall have a weightage of one third of the total votes cast, and
 - the votes of all the State Governments taken together shall have a weightage of two-thirds of the total votes cast, in that meeting.
- **Economic Survey 2017-18** also hailed the GST Council for its **cooperative federalism technology** which brings together the Center and States and can be applied to many other policy reforms.

Source: TH