

1. GST Rates 2019 – Complete List of Goods and Services Tax Slabs GST

The GST Council meets from time to time to revise the GST rates for various products. Several states and industries recommend reduction in GST tax rate for various items which are discussed in these meetings.

2. GST stands for Goods and Services Tax. It is classied into three types:

- a. CGST –Central GST
- b. SGST –State GST
- c. IGST –Integrated GST

Finance Minister Arun Jaitley said that the government wanted to keep the GST rates close to the original rates. But there were differences in case of some items because of the changes in the economy as well as customer preferences. Some commodities were kept in the high tax bracket (18-28%) but on scrutinizing the list, they found that these commodities should be considered as necessities and not luxuries. This is why the GST rates were revised for commodities such as notebooks, exercise books, spectacles and lenses and some other items.

3. GST Tax Rates on some common items

Tax Rates	Products
5%	Household necessities such as edible oil, sugar, spices, tea, and coffee (except instant) are included. Coal , Indian Sweets and Life-saving drugs are also covered under this GST slab
12%	This includes computers and processed food
18%	Hair oil, toothpaste and soaps, capital goods and industrial intermediaries are covered in this slab
28%	Luxury items such as small cars, consumer durables like AC and Refrigerators, premium cars, cigarettes and aerated drinks, High-end motorcycles are included here.

Though edible items like sugar, tea and coffee are included in the 5% slab, milk does not attract any tax under the new GST regime. The idea behind this is to ensure that basic food items are available for everyone but instant food is kept out of this category. Basic household items like toothpaste and hair oil, which currently attract 28% tax, will be taxed at 18% only. Sweets will also be taxable at 5%. Tax rates on coal has also been reduced from 11.69% to just 5% in order to relieve the pressure on power industries.

GST also gives a major push to domestic industries as they will be able to procure seamless input credit for capital goods.

4. GST Rates on Goods

The government has proposed a 4-tier tax structure for all goods and services under the slabs- 5%, 12%, 18% and 28%. After the recent revision of GST rates, these are the commodities that fall under the four tax slabs along with those that do not attract any tax.

A. No Tax

Apart from other items that enjoy zero GST tax rate, these are the commodities added to the list after 11th June rate revision –

- a. Hulled cereal grains like barley, wheat, oat, rye, etc.
- b. Bones and horn-cores unworked and waste of these products.
- c. All types of salt
- d. Dicalcium Phosphate (DCP) of animal feed grade conforming to IS specification No. 5470 :2002
- e. Kajal [other than kajal pencil sticks]
- f. Picture books, colouring books or drawing books for children
- g. Human hair – dressed, thinned, bleached or otherwise worked
- h. Sanitary Napkins
- i. Unit container-packed frozen branded vegetables (uncooked/steamed)
- j. Vegetables preserved using various techniques including brine and other preservatives that are unsuitable for immediate human consumption.
- k. Music Books/manuscripts

B. 5% Tax Slab

Given below are the items that have been added to the 5% GST tax rate slab along with the other existing items-

- a. Cashew nuts/cashew nuts in shell
- b. Ice and snow
- c. Bio gas
- d. Insulin
- e. Aggarbatti
- f. Kites
- g. Coir mats, matting and floor covering

- h. Pawan Chakki that is Wind-based Atta Chakki
- i. Postage or revenue stamps, stamp-postmarks, first-day covers, etc.
- j. Numismatic coins
- k. Braille paper, braille typewriters, braille watches, hearing aids and other appliances to compensate for a defect or disability
- l. Fly-ash blocks
- m. Walking sticks
- n. Natural cork
- o. Marble rubble

C. 12% Tax Slab

After the GST council meeting on 11th June, the following items were added to the 12% GST rates category-

- a. Preparations of vegetables, fruits, nuts or other parts of plants, including pickle, murabba, chutney, jam, jelly
- b. Ketchups, sauces and mustard sauce but excluding curry paste, mayonnaise and salad dressings, mixed condiments and mixed dressings
- c. Bari made of pulses including mungodi
- d. Menthol and menthol crystals, peppermint, fractionated/de-terpenated mentha oil, dementholised oil, Mentha piperita oil and spearmint oil
- e. All diagnostic kits and reagents
- f. Plastic beads
- g. Exercise books and note books
- h. Glasses for corrective spectacles and flint buttons
- i. Spoons, forks, ladles, skimmers, cake servers, fish knives, tongs
- j. Fixed Speed Diesel Engines
- k. Two-way radio (Walkie talkie) used by defence, police and paramilitary forces etc.
- l. Intraocular lens
- m. Corrective spectacles
- n. Playing cards, chess board, carom board and other board games, like ludo, etc.
- o. Debugged/roughly squared cork

- p. Items manufactured from natural cork
- q. Agglomerated cork

D. 18% Tax Slab

The items mentioned below have been added to the 18% GST tax rate slab among the other existing items-

- a. Kajal pencil sticks
- b. Dental wax
- c. Plastic Tarpaulin
- d. School satchels and bags other than of leather or composition leather; toilet cases, Hand bags and shopping bags of artificial plastic material, cotton or jute;
- e. Handbags of other materials excluding wicker work or basket work
- f. Headgear and parts thereof
- g. Precast Concrete Pipes
- h. Salt Glazed Stone Ware Pipes
- i. Aluminium foil
- j. All goods, including hooks and eyes
- k. Rear Tractor tyres and rear tractor tyre tubes
- l. Rear Tractor wheel rim, tractor centre housing, tractor housing transmission, tractor support front axle
- m. Weighing Machinery other than electric or electronic weighing machinery
- n. Printers other than multifunction printers
- o. Ball bearing, Roller Bearings, Parts & related accessories
- p. Transformers Industrial Electronics
- q. Electrical Transformer
- r. Static Converters (UPS)

- s. CCTV including CCTV with video recorders
- t. Set top Box for TV
- u. Computer monitors not exceeding 17 inches
- v. Electrical Filaments or discharge lamps
- w. Winding Wires, Coaxial cables and Optical Fiber
- x. Perforating or stapling machines (staplers), pencil sharpening machines
- y. Baby carriages
- z. Instruments for measuring length, for use in the hand (for example, measuring rods and tapes, micrometers, callipers)
- aa. Bamboo furniture
- bb. Swimming pools and paddling pools

E. 28% Tax Slab

The council meeting was held to 'reduce' the tax rates on certain items based on customer preferences. Hence, no additional items were added to the highest GST rates slab of 28%.

*The GST rates for various products are subject to change from time to time without prior information.

5. Also Read: GST Returns: How to File GST Return & Due Dates GST Rates on Services

Government has also impose GST on Services with the same 4-tier tax structure as of goods. GST rates on services comprising of 5%, 12%, 18% and 28% comes with various pros and cons for the consumers. However, government has exempted healthcare and educational services from the purview of the GST.

A. 5% Tax Slab

- Railways-Transportation of goods, passengers
- Goods transported in a vessel from outside India
- Renting a motor cab without fuel cost

- Transport services in AC contract/stage or radio taxi
- Transport by air (scheduled)/air travel for purpose of pilgrimage via chartered/non-scheduled flights
- Tour operator services
- Leasing of aircrafts
- Print media ad space
- Working for printing of newspapers

B. 12% Tax Slab

- Rail transportation of goods in containers from a third party other than Indian Railways
- Air travel excluding economy
- Food /drinks at restaurants without AC/heating or liquor license
- Renting of accommodation for more than Rs.1000 and less than Rs.2500 per day
- Chit fund services by foremen
- Construction of building for the purpose of sale
- IP rights on a temporary basis
- Movie Tickets less than or equal to Rs.100

C. 18% Tax Slab

- Food/drinks at restaurants with liquor license
- Food /drinks at restaurants with AC/heating
- Outdoor catering
- Supply of food, shamiyana, and party arrangement
- Circus, Indian classical, folk, theatre, drama

- Supply of works contract
- Movie Tickets over Rs.100

D. 28% Tax Slab

- Entertainment events-amusement facility, water parks, theme parks, joy rides, merry-go-round, race course, go-carting, casinos, ballet, sporting events like IPL
- Race club services
- Gambling
- Food/drinks at AC 5-star hotels
- Accommodation in 5-star hotels or above

6. GST on Loans and Advances

Earlier Service Tax was levied on Loans which has now been replaced by GST which would now be levied on loans. The rate of Service Tax was 15% whereas the rate of GST is 18%. A lot of people are of the opinion that the effective cost of having a loan would increase as the rate of GST is 3% higher than the rate of Service Tax. Several people are of the opinion that their EMI's would increase as the rate has been increased by 3%. However, this is not the case as GST is not levied on repayment of loan or on payment of Interest on Loan.

GST is only levied on the processing charges and any other charges paid to the bank excluding the principal repayment and interest payment. These other charges include the Loan Processing Fees, Loan Prepayment Charges and other charges, if any. As a major chunk of the loan repayment comprises of principal repayment and interest payment, the impact of GST on Loans would be very negligible. The impact of GST on Home Loans and Personal Loans has been explained below for a much better understanding of the impact.

Mentioned below are the important loans and their GST rates:

- (a) Personal Loan- **18%**
- (b) Home Loans- **18%**
- (c) Car Loan- **18%**

7. GST on Cars

Subsequent to bringing cars under the GST regime, the GST rate on cars has been fixed at 28% for all personal use vehicles featuring a petrol or diesel driven engine. However, in addition to GST, a composition is also applicable to cars over and above the GST Rate. Thus the overall tax rate applicable to vehicles under GST ranges from 29% to 50%. Lower rates of taxation are however applicable to cars driven by cleaner technologies such as fuel cells and electric vehicles. Know more about GST on cars

8. GST on Gold

Subsequent to introduction of GST on items made from gold such as gold jewelry, the current GST rate on gold is 3%. However, a 5% GST rate is applicable to making charges applied to gold jewelry in case the manufacturing is outsourced to a job worker. This can however, be charged as input tax credit (ITC) by the jeweler and only a 3% GST charge is applied to the final bill paid by the purchaser of gold jewelry items. Know more about GST on Gold and impact of GST on the gold industry.

9. GST On Real Estate

GST is applicable to real estate purchases only if you are purchasing an under construction property. The GST rate applicable to such commercial or residential transactions is 12% till 31st March 2019. From 1st April, the applicable GST Rates on residential real estate will be 5% for non-affordable housing properties and 1% for affordable housing properties. No GST is applicable in case you are purchasing a ready to move in property. Additionally, different GST rates are applicable to various building materials used in the construction of houses/flats.

10. GST on Food

Food items especially fresh food mostly carry a Nil GST rate. However, packaged food stuff and semi-processed/processed foods do feature GST rates starting from 5% up to 18%. While no food stuff are currently included in the highest 28% GST bracket, the 18% rate of GST is applicable to some common food products such as chocolates as well as baked goods such as cakes. Know more about applicable GST on Food.

11. Upcoming products in GST Rates Slab

The Government is going on with some new tactics to bring in some of the products under GST system. As hinted by Finance Minister, Arun Jaitley, there could be an inclusion of products under GST with the reduction of GST rates on some products. Major products which can come under GST rates slab includes:

1. Petroleum products- Petrol and Diesel
2. Land
3. Electricity
4. Others

12. Total Revisions in GST Rates

Till date, there has been 32 GST council meetings till January 2019 in which the council has recommended various relief measures regarding GST rates on goods and services. GST Council Meeting is chaired by the Finance Minister providing clarification and recommendation regarding various changes made in the GST rates of the goods and services.

13. GST Rates Impact on Economy

As GST has transformed the economy at its peak. It's a game-changing reform for the Indian economy as it brings about net appropriate price for the goods and services considered under single taxation system. Mentioned below are some of the important GST rates impacts in the Indian economy:

A. Increase in Competition: After the GST has been imposed, there has been seen a fall in prices of goods and services which ultimately has brought the final consumer to have less tax burden on the goods and services. There is seen a great scope of increased production, thus, increase in competition.

B. Simple Tax Structure: GST has simplified the calculation of tax with the adoption of single taxation system. Under this, multiple taxation has been aborted which ultimately saves time and money.

C. Uniform Tax Regime: Previously, there used to be multiple tax at every stage of supply chain, where the taxpayer got confused. But now, with GST, it is easier for the taxpayer to pay uniform tax.

14. Protest against GST rates

With the implementation of GST, various traders, cloth merchants, private security agencies and many others went on protest against GST rates. Cloth merchants protested against the imposition of 5% sales tax on textiles under the GST regime. The newly added tax system in the country also made the iron, wire dying and steel traders to a protest against high rates of GST. Steel traders were of opinion that the new tax system has nosedived 40% trade due to high rates and elaborated paper works under the new system.

Owners and employees of private security agencies also went on a silent protest against the levy of 18% GST on security services because the GST rate took away the major share of wage and benefits from the security personnel.