

GST Council meeting Day 2: Tax rates of services, gold, biscuits, footwear to be decided today

The Goods and Services Tax Council will on Friday take up the crucial issue of taxation of services as also precious metals such as gold.

The council will also decide on taxation of biscuits, footwear, packaged cereals such as basmati.

The centre had proposed a rate of 4% on hold but some states such as Kerala want it placed in the higher 5% slab.

In the case of biscuits and footwear, some states and the industry have pitched for exemption for low prices products or putting them under the lower slab.

With regard to services taxation, some states favour common services such as telecom, banking in the lower slab. Service tax rate is currently at 15%. The GST slab rates stand at 5%, 12%, 18%, 28%. They are of the view that placing them in the 18% slab will hurt common man.

Government officials have so far maintained that services that enjoy higher abatement would face lower rate under GST as well.

The Council had decided fitment of most goods on the day one of its two day meeting here.

(Economic Times)