

Summary of change in Rates of various goods and/or services and changes made in Exemptions

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By:

CA. Chitresh Gupta

FCA, LL.B, B. Com(H), IFRS (Cert.), IDT (Cert.)

Co-Author of book "GST –Law, Analysis & Procedures"

Faculty on Goods & Services Tax by ICAI

Email: chitresh.gupta@gstexperts.net

47th GSTC Meeting has made a series of recommendations. Pursuant to them, CBIC has already issued a series of Non- Tariff Notifications and Circulars. CBIC has recently issued a series of Tariff Notifications to give effect to recommendations relating to change in Rates of various goods and/or services and changes made in Exemptions.

The synopsis of the changes brought through the aforesaid Tariff Notifications are provided below:

Notification No.	Date	Summary
03/2022-CT(R)	13-07-2022	<p>Seeks to amend CGST Rate on various services effective from 18.07.2022</p> <p><u>Construction Services:</u></p> <ul style="list-style-type: none">• Entries No. (iii), (iv), (v), (va), (vi) and (ix) of Serial No. 3 of Construction services providing rate of CGST @ 6% has been omitted and these services shall now be taxed @ 9% [i.e. 18% CGST + SGST].• Following Construction services for Entry No. (vii) and (x) of Serial No. 3 providing rate of tax @ 2.5% CGST shall now be taxable @ 6% [i.e. 12% CGST + SGST]: <p>➤ Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, involving predominantly earth work (that is, constituting more than 75per cent. of the value of the works contract) provided to the Central Government, State Government, Union territory or a local authority.</p> <p>➤ Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 provided by a sub-contractor to the main contractor providing services specified in</p>

item (vii) above to the Central Government, State Government, Union territory or a local authority.

- Consequential amendment has been made in Entry No. (xii) of Serial No. 3 of Construction services providing rate of tax @ 9% [i.e. 18% CGST + SGST].

Hotel Accommodation Services:

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The services by way of supply of hotel accommodation' having value of supply of a unit of accommodation less than or equal to seven thousand five hundred rupees per unit per day or equivalent shall be taxable @ 12% under GST. Earlier by way of this entry, services by way of hotel accommodation were taxable @ 12% when the value of services of a unit of accommodation is more than 1000 but less than 7500. Thus Exemption of accommodation services in case unit value is till INR 1000 per day stands withdrawn.

Transport of Passenger Services:

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Services by way of transport of passengers, with or without accompanied belongings, by ropeways shall be taxable @ 5% if the credit of input tax charged on goods used in supplying the service has not been taken. Otherwise it shall be taxable @ 18% if ITC taken.

Transport of Goods Services:

- Changes have been made in Goods Transport Agency Services and GTA can exercise the option to itself pay the tax or not pay the tax itself on yearly basis. GTA can also opt for any rate of tax between 5% or 12% to pay the tax itself and such option need to be exercised at on or before the 15th March of the preceding Financial Year. Further, such option for the Financial Year 2022-2023 need to exercised on or before the 16th August, 2022. The option need to exercised by filing of Declaration in Annexure V. Further once the option to pay tax under

Forward charge is exercised, such fact need to mentioned in Invoice as per the format provided in Annexure III

- Transport of goods by ropeway shall be taxable @ 5% if the credit of input tax charged on goods used in supplying the service has not been taken. Otherwise it shall be taxable @ 18% if ITC taken.

Rental services of transport vehicles with operators

Renting of goods carriage where the cost of fuel is included in the consideration charged from the service recipient shall be taxable @ 12%.

Supporting services in transport

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Supporting services in transport shall be taxable @ 18%. However, this shall not include not include goods transport service involving Goods Transport Agency (GTA) service, which falls under Heading 9965.

Financial and Related Services

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Following entries providing rate of tax @ 12% shall be omitted and these services shall be taxed at 18%:

- Services provided by a foreman of a chit fund in relation to chit.

Manufacturing services on physical inputs (goods) owned by others

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Following services taxable @ 5% has been omitted and same shall be taxable @ 18%

- Processing of hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975;
- Manufacture of leather goods or foot wear falling under Chapter 42 or 64 in the First Schedule to the Customs Tariff Act, 1975 respectively;
- Manufacture of clay bricks falling under tariff item 69010010 in the First Schedule to the Customs Tariff Act, 1975.

Healthcare Services

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Services provided by a clinical establishment by way of providing room [other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neo natal Intensive Care Unit (NICU)] having room charges exceeding Rs. 5000 per day to a person receiving health care services shall be taxable @ 5% if the credit of input tax charged on goods and services used in supplying the service has not been taken.

Services of disposal of biomedical waste

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Services by way of treatment or disposal of biomedical waste or the processes incidental thereto by a common bio-medical waste treatment facility to a clinical establishment shall be taxable @ 12%.

**04/2022-
CT(R)**

13-07-2022

Seeks to amend exemptions on various services effective from 18.07.2022

- Exemption on by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory has been withdrawn.

- Amendment have been made in the exemption on the services by way of renting of residential dwelling for used as a residence. Such services shall now be taxable if provided to a registered person.
- Exemption on services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having value of supply of a unit of accommodation below or equal to one thousand rupees per day or equivalent has been withdrawn.
- Exemption on transport of passengers, with or without accompanied belongings, by embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal shall be available in case of air services in economy class only.
- Exemption on services by way of transportation by rail or a vessel from one place in India to another of railway equipments or materials has been withdrawn.
- Exemption on services provided by a goods transport agency, by way of transport in a goods carriage of goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees and goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty has been withdrawn.
- Exemption on services by way of storage or warehousing of spices, copra, sugar-cane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea has been withdrawn.
- Exemption has been provided on Services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams).
- Exemption on following services has been withdrawn:
 - Services by the Reserve Bank of India;
 - the Insurance Regulatory and Development Authority of India to insurers under the Insurance Regulatory and Development Authority of India Act, 1999;
 - Securities and Exchange Board of India set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992) by way of

protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market;

➤ Food Safety and Standards Authority of India (FSSAI) to Food Business Operators;

➤ Goods and Services Tax Network to the Central Government or State Governments or Union territories for implementation of Goods and Services Tax;

- Exemption has been provided on services of Tour operator service, which is performed partly in India and partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the value of the tour operator service which is performed outside India.
- Exemption on services by way of fumigation in a warehouse of agricultural produce has been withdrawn.
- Exemption on healthcare services provided by a clinical establishment by way of providing room [other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neonatal Intensive Care Unit (NICU)] having room charges exceeding Rs. 5000 per day to a person receiving health care services has been withdrawn.
- Exemption on services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment or disposal of bio- medical waste or the processes incidental thereto has been withdrawn.
- Revamping of exemption on Services by way of training or coaching in (a) recreational activities relating to arts or culture, by an individual, or (b) sports by charitable entities registered under Section 12AA or 12AB of the Income Tax Act.
- Exemption on services by way of right to admission to the events organized under FIFA U-17 Women's World Cup 2020 has been extended to whenever it shall be scheduled.
- Exemption on services of slaughtering of animals has been withdrawn.
- Exemption on provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation has been withdrawn.

05/2022-CT(R)	13-07-2022	<p>Seeks to amend categories of services on which tax shall be paid under reverse charge</p> <ul style="list-style-type: none"> • Amendment in the service of Goods Transport Agency has been made which provides that the reverse charge on these services shall not be applicable when: <ul style="list-style-type: none"> ➤ the supplier has taken registration under the CGST Act, 2017 and exercised the option to pay tax on the services of GTA in relation to transport of goods supplied by him under forward charge; and ➤ the supplier has issued a tax invoice to the recipient charging Central Tax at the applicable rates and has made a declaration as prescribed in Annexure III on such invoice issued by him. • Services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Central Government, State Government or Union territory or local authority were not under reverse charge if provided to Business Entity. Such services shall now be taxable under reverse charge if provided to business Entity. • Service by way of renting of residential dwelling to a registered person shall now be taxed under reverse charge.
06/2022-CT(R)	13-07-2022	<p>Seeks to amend Rate of tax on various goods</p> <p>Changes have been made in the rate of tax on various goods in line with the recommendations of the 47th GST Council Meeting.</p>
07/2022-CT(R)	13-07-2022	<p>Seeks to amend exemptions of various goods</p> <p>Changes have been made in the exemptions relating to various goods in line with the recommendations of the 47th GST Council Meeting.</p>
08/2022-CT(R)	13-07-2022	<p>Concessional GST rate rationalized from 5% to 12% for goods supplied for Petroleum/ Coal bed methane operations</p> <p>The CBIC vide Notification No. 3/2017- Central Tax (Rate) dated 28-June-2017 notified 2.5% concessional CGST rate for supplies for exploration and production w.r.t Petroleum/ Coal bed methane operations w.e.f. July 01, 2017.</p>

		<p>However, the GST Council's 47th meeting held on June 28-29, 2022 has recommended to rationalize exemption in form of GST concessional rate in the case of supplies made for Petroleum/Coal bed methane operations from 5% to 12% w.e.f. July 18, 2022.</p> <p>Thus, by way of this Notification, exemption in form of GST concessional rate in case of supplies made for Petroleum/Coal bed methane operations has been changes to 12% w.e.f. July 18, 2022.</p>
09/2022-CT(R)	13-07-2022	<p>Refund of accumulated unutilized ITC in case of inverted duty supply on supply of edible oils and coal has been curtailed</p> <p>CBIC vide Notification No. 5/2017- Central Tax (Rate) dated 28.06.2017 notified that no refund of unutilised input tax credit shall be allowed under Section 54(3) of the Central Goods and Service Tax Act, 2017 on supply of certain goods specified therein.</p> <p>Further, the GST Council's 47th meeting held on June 28-29, 2022 has recommended to add edible oils and coal as goods against which no refund of accumulated unutilised ITC shall be allowed under Section 54(3) of the CGST Act in order to remove inverted duty structure w.e.f. July 18, 2022.</p> <p>Thus, by way of this Notification, edible oils and coal has been added to Notification No. 5/2017- Central Tax (Rate) dated 28.06.2017.</p>
10/2022-CT(R)	13-07-2022	<p>Seeks to amend Notification on concessional rate on intra state supply of bricks conditional to not availing the ITC</p> <p>CBIC vide Notification No. 02/2022- Central Tax (Rate) dated 31.03.2022, provided concessional rate on Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks at 3% subject to non availment of ITC.</p> <p>Such entry has been amended to provide the concessional rate on Fly ash bricks fly ash aggregate and Fly ash blocks only w.e.f. 18.07.2022.</p>
11/2022-CT(R)	13-07-2022	<p>Seeks to rescinds Notification No. 45/2017-CT(R) dated 14-11-2017 providing concessional GST rate of 2.5% on scientific and technical equipments supplied to public funded research institutions.</p>

		Notification No. 45/2017-CT(R) dated 14-11-2017 providing concessional GST rate of 2.5% on scientific and technical equipments supplied to public funded research institutions has been rescinded.
15/2022-CT	13-07-2022	<p>Seeks to provide the compulsory registration in case of supply of Fly ash bricks irrespective of fly ash content</p> <p>Notification No. 10/2019-Central Tax dated March 7, 2019 provided compulsory registration a person engaged in supply of Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash Blocks irrespective of the threshold limit.</p> <p>This has now been amended to provide Fly ash bricks; Fly ash aggregates; Fly ash blocks i.e. a supplier of Fly ash bricks; Fly ash aggregates; Fly ash blocks shall be required to get compulsorily registered irrespective of turnover w.e.f 18.07.2022.</p>
16/2022-CT	13-07-2022	<p>Seeks to provide that manufacturer of Fly ash bricks shall not be eligible for composition scheme irrespective of fly ash content</p> <p>Notification No. 14/2019 – Central Tax dated March 7, 2019 provided that the manufacturer of Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash Blocks shall not be eligible for composition scheme.</p> <p>This has now been amended to provide Fly ash bricks; Fly ash aggregates; Fly ash blocks i.e. a supplier of Fly ash bricks; Fly ash aggregates; Fly ash blocks shall not be eligible for composition scheme w.e.f 18.07.2022.</p>

The Detailed Notifications can be accessed from following link:

[Explore \(cbic.gov.in\)](http://cbic.gov.in)