Government issues notifications for revision of GST rates on certain goods and services

In the GST Council meeting held on 5 August 2017, it was decided to revise the tax rates on certain goods and services. The notification giving effect to these changes was awaited and there was uncertainty regarding the date from which the rate revision would be effective (please refer to our Tax Alert titled “GST Council reduces rates for certain supplies and approves rules on e-way bill,” dated 8 August 2017).

In this regard, the following notifications, dated 22 August 2017, have been issued by the Government:

<table>
<thead>
<tr>
<th>Notification no.</th>
<th>Key amendments</th>
</tr>
</thead>
</table>
| 20/2017-Central Tax, Integrated Tax, Union Territory Tax (Rate) | • Works contract services, which were exempt from Service Tax vide entries 12, 13, 14 of the Mega Exemption Notification, were taxed at 18% under GST. Now the rate of tax on such services has been reduced from 18% to 12%.
• For goods transport agencies (GTAs) and rent-a-cab service, an option has been provided to pay GST at 12% and claim full ITC.
• Job work services for textile and textile products will be taxed 5%.
• Services by way of printing of newspapers, books (including Braille books), journals and periodicals where only the content is supplied by the publisher and the physical inputs, including paper used for printing, belong to the printer, will be taxed at 12%. If the physical inputs for printing are provided by another person, the service will be taxed at 5%.
• Tax on admission to planetariums has been reduced from 28% to 18%.
| 21/2017-Central Tax, Integrated Tax, Union Territory Tax (Rate) | • Exemption has been provided to services in relation to any of the events under FIFA U-17 World Cup 2017 to be hosted in India.
• Services provided by Fair Price Shops to the Government by way of sale of certain goods under the Public Distribution |
System (PDS) against consideration in the form of commission or margin will be exempt.

| 22/2017-Central Tax, Integrated Tax, Union Territory Tax (Rate) | • For GTAs that have opted to pay tax at 12%, the service recipient is not required to pay tax under reverse charge.  
• Limited liability partnerships (LLPs) formed and registered under the provisions of the Limited Liability Partnership Act, 2008 shall be considered as partnership firms or firms for the purpose of reverse charge provisions. |
| 23/2017-Central Tax, Integrated Tax, Union Territory Tax (Rate) | • For house-keeping services, such as plumbing and carpentering, supplied through an e-commerce operator, where the aggregate turnover of the person supplying such services does not exceed the prescribed threshold (INR20 lakh or INR10 lakh, as the case may be), the e-commerce operator will be liable to pay tax. |

It is to be noted that the notifications do not specify the date from which the amendments would be effective. In the absence of any specific date in the notifications, the amendments will be effective from the date of the notifications, i.e., 22 August 2017.