

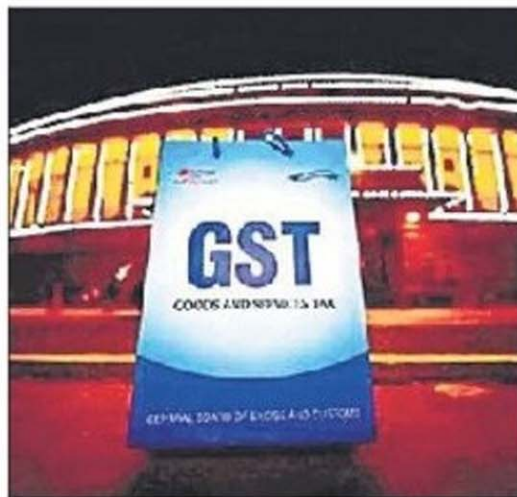
GST Council to weigh tax cuts on medicines, farm products

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NEW DELHI: The goods and services tax (GST) Council meeting next week will discuss tax relief on certain medicines, farm products, arthroplasty implants, and services such as satellite launches by private organizations, a person with direct knowledge of the matter said.

A committee of officers that reviews proposals for tax rate changes, called the fitment committee, has recommended lowering the GST rates on unfried snack pellets to 5% from 18% and suggested that exemption from the 12% Integrated GST could be considered when cancer medicine (dinutuximab/qarziba) is imported by individuals for personal use. The committee also recommended similar relief to



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medicines and food for special medical purposes when imported. Tax exemption is also being considered for satellite launch services provided by private organizations with a view to providing a level playing field, the person said on condition of anonymity. The Council is also likely to consider a proposal for

taxation of food and beverages at cinema halls at 5% in certain cases rather than at 18%, as is done by some multiplexes.

The Council will also clarify a host of issues to remove ambiguity in tax liability, covering products ranging from cotton sold to cooperative societies by farmers, multi-utility vehicles and pan masala and chewing tobacco. The Council may also clarify that the transfer of cotton from farmers to cooperatives is clearly a taxable supply, and such supply of raw cotton by farmers to the cooperatives attracts 5% GST under a reverse charge basis.

Apart from the recommendations of the fitment committee, the GST Council will also review areas where changes in the law and rules are required. The new foreign trade policy of 2023 has necessitated certain changes in the GST framework.