

Cabinet clears changes to GST laws, to be placed in Parliament

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The Cabinet on Wednesday approved amendments to the GST laws, including hike in turnover threshold for businesses to avail the composition scheme to ₹1.5 crore.

As many as 46 amendments were cleared by the GST Council, chaired by Union Finance Minister Piyush Goyal, at its meeting on July 21.

The Cabinet, headed by Prime Minister Narendra Modi, has cleared the amendments as approved by the GST Council, a source said.

The amendments to the Central GST, Integrated GST and Compensation Cess laws will now be placed in Parliament in the ongoing session.

Following Parliament's nod, the amendments would be placed before the state legislatures for making changes in the State GST Act.

The amendments will allow employers to claim input tax credit on facilities like food, transport and insurance provided to employees.

It also provides for modification of reverse charge mechanism, separate registration for companies having different business verticals, cancellation of registration, new return filing norms and issuance of consolidated debit/credit notes covering multiple invoices.

Besides, businesses with turnover of up to ₹1.5 crore would be eligible for composition scheme, as compared to the current limit of ₹1 crore.

Under the scheme, traders and manufacturers pay GST at a flat rate of 1 per cent and file returns quarterly. Currently, over 17 lakh businesses have registered for composition scheme, as against over 1.10 crore registered under the GST regime.