

# GST Council expected to meet on Feb 20

**ENS ECONOMIC BUREAU @ New Delhi**

THE GST Council is likely to meet on February 20 to consider the recommendation of a group of ministers on GST on property under construction.

“The GST Council is going to meet on February 20. On top of the agenda would be the recommendation of the GoM on GST for under-construction buildings. Apart from that there would be some other consideration for revenue cut,” a senior official told this publication.

The meeting will take place via videoconference.



The GST Council had last month announced the formation of a Group of Ministers, under the chairmanship of Gujarat Deputy Chief Minister Nitin Patel, to analyse tax rates and issues and challenges being faced by the real estate sector. While they favour 5 per cent GST for buildings under construction, there is no consensus on

whether there should be a provision for input tax credit for developers.

According to sources, the GoM is likely to meet one more time before the GST Council meet so that they can build a consensus before giving a final recommendation.

According to the sources, there is also a request from the cement manufacturers lobby on reducing tax from 28 per

cent to 18 per cent. Cement is among the few commodities taxed in the highest slab.

In the last meeting, finance minister Arun Jaitley had ruled out any possibility of further rate cuts, saying this would impact revenue collection. He added that the cut would happen once the revenue flow was comfortable. As per government's own admission, a rate cut in cement to 18 per cent will lead to a loss of ₹13,000 crore annually in revenue collection.

The meeting will be crucial as this is going to be the last meeting before the code of conduct comes into force ahead of the general elections.

## **GOM DIVIDED ON INPUT TAX CREDIT**

Group of Ministers formed last month under the chairmanship of Gujarat Deputy Chief Minister Nitin Patel to analyse tax rates and the issues and challenges being faced by the real estate sector favours 5 per cent GST for buildings under construction, but there is no consensus on whether there should be a provision for input tax credit for developers.