

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 1673
ANSWERED ON - 06/08/2024

UNIFORM 12 PER CENT GST RATE ON HOTELS

1673. SHRI SANJEEV ARORA:

Will the Minister of Finance be pleased to state:

- (a) whether Government has received any requests from the travel and tourism industry to implement a uniform 12 per cent GST rate on hotels in the upcoming 2024-25 budget to stimulate domestic and international tourism and simplify the compliance processes; and
- (b) whether Government is considering to provide tax incentives to hotels and homestays that adopt sustainable practices aligned with Sustainable Development Goals (SDG) 11 (Sustainable Cities and Communities) and SDG 13 (Climate Action), if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) : Representations have been received requesting to implement a uniform 12 per cent GST rate on hotels.

(b): GST rates and exemptions are prescribed on the recommendations of the GST Council, which is a constitutional body comprising of representatives from both the Centre and the States/UTs. There is no such recommendation from the GST Council .

However, to promote low-carbon transition, climate-resilient and sustainable development, concessional rate of taxation is provided for in Section 115BBG of the Income Tax Act, 1961('the Act') which states that a rate of 10% will be levied on the income accruing or arising on transfer of carbon credits. Further, phasing out the exemptions and incentives available to various taxpayers and simplifying the tax structure is the stated policy of the Government. There is thus no further proposal for amending the Act in this regard.
