FM bats for lowering GST rate on two wheelers

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FINANCE Minister Nirmala Sitharaman said on Tuesday that two-wheelers were not luxury or sin goods, and do merit a GST rate revision. The minister also said that she will take up the proposal to reduce tax rates on two-wheelers to the GST Council. “The two-wheeler category is neither a luxury nor a sin good and hence merits a rate revision. Consequently, this will be taken up with the GST Council,” Sitharaman said.

She was responding to a question posed during an interaction with members from the Confederation of Indian Industry (CII) at a closed door meeting.

She also added that the government is open to making more tweaks in ₹3 lakh crore credit guarantee scheme announced as part of the Atma Nirbhar relief package earlier this year. “The ₹3 lakh crore scheme is open for professionals now and government is open to more tweaking, changes if required,” a CII press release quoted Sitharaman as saying.

The minister also spoke about the challenges thrown up by the Covid-19 pandemic during the meeting, going on to admit that domestic revenue generation remains a concern since important sectors like tourism, real estate, hospitality, and airlines have been affected “disproportionately” by the Covid-19 pandemic.

“In order to ease the pain of few of these ailing sectors, the Standard Operating Procedures (SoPs) for the hotels, banquets and related activities will be looked into,” she assured, adding that the government was taking other relief measures too.