

Ministry of Finance

27th GST council meeting discusses change in GST rate for digital transactions and imposition of Sugar Cess

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1. **Incentive to promote Digital Transactions:**

- a. Keeping in view the need to move towards a less cash economy, the Council has discussed in detail the proposal of a concession of 2% in GST rate [where the GST rate is 3% or more, 1% each from applicable CGST and SGST rates] on B2C supplies, for which payment is made through cheque or digital mode, subject to a ceiling of Rs. 100 per transaction, so as to incentivise promotion of digital payment.
- b. The council has recommended for setting up of a Group of Ministers from State Governments to look into the proposal and make recommendations, before the next Council meeting, keeping in mind the views expressed in GST Council.

2. **Imposition of Sugar Cess over and above 5% GST and reduction in GST rate on ethanol:**

- a. Keeping in view the record production of sugar in the current sugar season, and consequent depressed sugar prices and build-up of sugarcane arrears, the Council discussed the issue of imposition of sugar cess and reduction in GST rate on ethanol in great detail.
- b. The council has recommended for setting up of a Group of Ministers from State Governments to look into the proposal and make recommendations, within two weeks, keeping in mind the views expressed in GST Council in this regard.

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