



## **Tax Trends**

**Top Tax News This Week**

## Finance ministry gives GST relief to ad agencies, automobile dealers

The union finance ministry on Wednesday issued a set of circulars giving relief to the automotive industry, advertising agencies providing services to foreign clients, data hosting services providers and exporters of goods.

The Circular clarified that as demo vehicles are used by authorised dealers to provide trial runs and to demonstrate features of the vehicle to potential buyers, it helps the potential buyers to make a decision to purchase a particular kind of motor vehicle. Therefore, as demo vehicles promote sale of similar types of motor vehicles, they can be considered to be used by the dealer for making further supply of such motor vehicles.

Source: Business Standard





## **GST Council: Cancer drugs cheaper, foreign airlines exempt on import of services**

The 54th GST council meeting held in New Delhi on Monday announced several changes to the existing Goods and Services Tax (GST) slabs. The most notable among these was the reduction in cancer drugs. The Council decided to reduce the GST rate on cancer drugs Trastuzumab Deruxtecan, Osimertinib and Durvalumab from 12% to 5%. The Council has also recommended to exempt the supply of research and development services from GST. This includes research and development services by a government entity, research association, university, college or other institution, notified under Section 35 of the Income Tax Act, 1961, which deals with expenditure on scientific research.

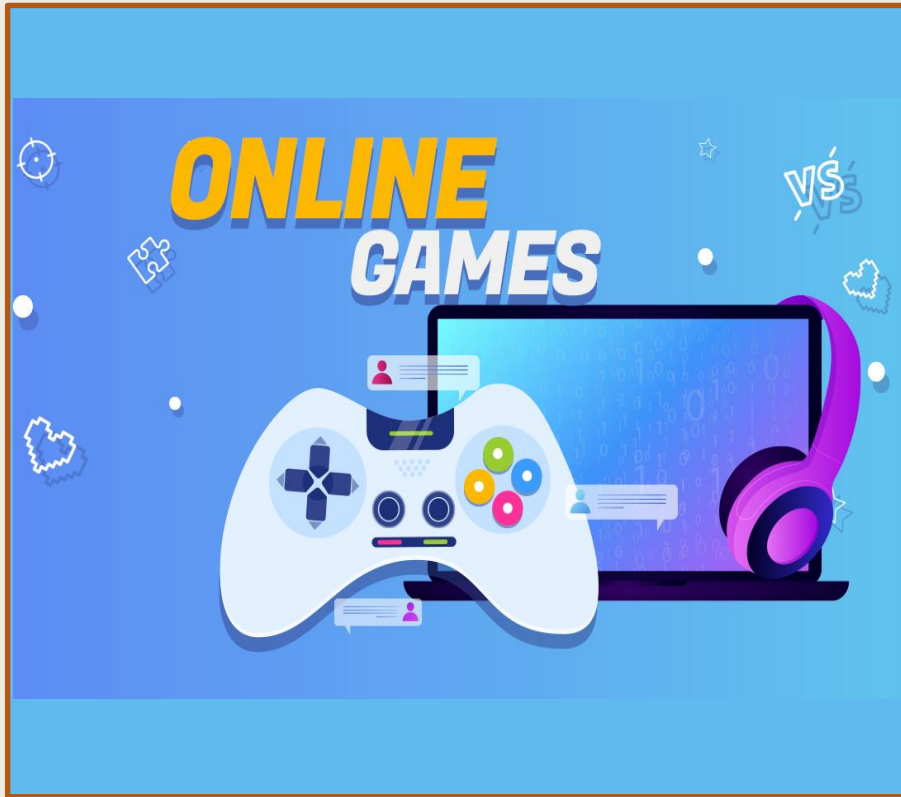
## Demands of hotels on GST on food items being studied: Finance Minister

A Group of Ministers is studying the demands of the hotel industry regarding Goods and Services Tax (GST) on various food items, said Union Finance Minister Nirmala Sitharaman. When asked about the claims of one of the leading restaurant owners in Coimbatore on Wednesday that different food items, such as sweets, savouries, and bakery products, served at a hotel attract different rates, she said the hotel owners' association had also submitted its demands and these were studied by the Group of Ministers for the past year.

Source: The Hindu



## GST ON FOOD ITEMS



## Revenue up 412 per cent from higher tax on online gaming

Despite the initial backlash from the industry, there has been a remarkable 412% increase in revenue from the higher tax on online gaming. As per finance minister Nirmala Sitharaman, the status report presented to the fitment committee says revenue from online gaming has surged to Rs 6,909 crore in a span of six months, while revenue from casinos saw a 30% rise. In the 50th GST Council meeting held in July 2023, online games both skill-based and chance-based formats were placed in 28% tax bracket, a change effective October 1, 2023.



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