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Tax Trends

Top Tax News This
Week

Donut is the new popcorn with Bombay HC to decide whether it should be taxed at 5% or 18% GST

The Bombay High Court is preparing to dig into this sticky issue on 24 March, whether doughnuts should be treated as bakery products subject to 18 percent GST or classified as restaurant services and pay a lower 5 percent tax. The case pertains to a show-cause notice sent by the Directorate General of Goods and Service Tax Intelligence (DGGI) to Mad Over Donuts (MOD) directing the multinational doughnut chain to pay Rs 100 crore in taxes and fines for incorrectly classifying their business as a restaurant service rather than a bakery product. Subsequently, doughnut chain MOD approached the High Court seeking clarification on whether the supply of doughnuts qualified as restaurant services under SAC 9963 or should be treated as a bakery product.





GST cut on insurance premia likely

The central government is considering a reduction in the goods and services tax (GST) on health and life insurance premia from the current 18 percent, though consensus on the final rate remains elusive. The GST Council has asked the Insurance Regulatory and Development Authority of India (IRDAI) to provide recommendations on the matter. IRDAI is expected to present the insurance sector's views to the council during its upcoming meeting, which could take place in May or June.

GST rates to be reduced further, rationalisation on cards: FM

Union Finance Minister Nirmala Sitharaman has said that Goods and Services Tax (GST) rates will be reduced further as the process of rationalising tax slabs is nearing completion. FM Sitharaman said that the work on simplifying GST slabs is almost finished. The GST Council, which is led by the finance minister and includes state finance minister and includes state finance ministers, is expected to take a final decision soon. The rationalisation process includes reducing the number of tax slabs, streamlining rates, and addressing key concerns raised by different industries.





Now biometric authentication in your home state is possible when you do GST registration in another state.

Eligible GST-registered taxpayers can apply for the GST Amnesty Scheme under Section 128A by June 30, 2025. However, the entire principal tax demand must be paid by March 31, 2025. Once all these formalities are completed and the amnesty application is accepted by the GST authorities, the taxpayer will be granted full relief from any pending GST tax demand, including a waiver of interest and penalties. However, as per a Goods and Services Tax Network (GSTN) advisory, there are some technical problems with the amnesty scheme system, and some of it can be circumvented.

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