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Tax Trends

Top Tax News This Week

No further excise on E22, higher grades ethanol/petrol

The CBIC has extended the excise duty exemption available to ethanol-blended petrol ("EBP") to higher ethanol blend grades, namely E22, E25, E27 and E30. The exemption applies where excise duty has already been paid on petrol and GST has been discharged on the ethanol used for blending. The move seeks to prevent double taxation on the blending activity and aligns the tax treatment of higher ethanol blends with the existing E5, E10 and E20 grades. The Government has clarified that the exemption does not reduce the excise duty applicable on petrol for domestic consumption but serves as an enabling measure for the future introduction of higher ethanol-blended fuels, subject to further testing and regulatory approvals.





CBIC drafts rules for GST provision allowing waiver of past tax dues of industry

The CBIC is in the process of framing rules to operationalise Section 11A of the CGST Act, 2017, which empowers the Central Government, on the recommendation of the GST Council, to waive past GST liabilities in cases where non-payment or short payment of tax arose due to a generally prevalent trade practice. Introduced through the Finance Act, 2024, the provision provides an exceptional mechanism for granting retrospective relief from tax demands. Reports suggest that the GST Council may examine the applicability of this provision to the online gaming industry, which is facing substantial GST demands following the recent Supreme Court ruling, although no formal decision has been taken so far.

Income Tax Department issues ITR scrutiny guidelines: These ITR filers may face compulsory scrutiny in FY 26-27

The CBDT has issued guidelines for compulsory selection of Income Tax Returns for scrutiny during FY 2026-27. The guidelines identify specific categories of cases, including certain international transactions and high-risk matters, which may be selected for detailed examination by the Income Tax Department.





Hotels seek AP govt intervention over PNG prices, GST burden

The Vijayawada Hotel Owners Association has urged the Andhra Pradesh Government to address rising operational costs faced by the hospitality sector by regulating commercial piped natural gas (PNG) prices and seeking a reduction in GST on rented premises used by hotels and restaurants. The Association has highlighted significant variations in commercial PNG prices across regions and requested uniform pricing to ease the financial burden on businesses. It has also sought a reduction of GST on commercial rentals from 18% to 5%, contending that the current tax incidence adversely impacts the viability of small and medium-sized establishments. The representation underscores the hospitality sector's contribution to employment, tourism and economic growth, while seeking policy support to ensure its long-term sustainability

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