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Tax Trends

Top Tax News This Week

MDR on UPI payments face 18% GST; registered biz can claim input tax credit

Starting October 15, UPI payments made to merchants (P2M) above ₹2,000 will attract a 0.4% Merchant Discount Rate (MDR), capped at ₹300 per transaction. The MDR charges will also be subject to 18% GST. However, eligible merchants can claim input tax credit (ITC) on the GST paid on MDR, which could reduce the overall tax impact.





GST Council focuses on process reform under GST 2.0

The GST Council will focus exclusively on process reforms at its October meeting, Finance Minister Nirmala Sitharaman said, with invoice filing, invoice matching and input tax credit rules likely to be examined. The reforms aim to address compliance gaps and disputes that have contributed to litigation and higher costs for businesses, while GST rate issues will remain outside the meeting's agenda.

CBDT Drops Arrest and Imprisonment from Tax Recovery Rules

The Central Board of Direct Taxes (CBDT) has amended Rule 225 of Income Tax Rules to remove arrest and imprisonment as prescribed methods for recovering outstanding income-tax dues. The change was notified on September 17. Authorities can still attach and sell movable or immovable property and appoint receivers. The amendment does not remove any separate arrest powers that may exist elsewhere under the Income-tax Act.



Moneycontrol



India renegotiates treaties with Mauritius, Singapore, Cyprus to restore right to tax capital gains at source: FM Sitharaman

Finance minister Nirmala Sitharaman on Wednesday said India has renegotiated its tax treaties with Mauritius, Singapore and Cyprus to restore the country's right to tax capital gains arising from investments in India at the source.

Speaking about India's tax policy and international taxation framework, Sitharaman said the changes were part of wider efforts to strengthen the country's tax base and prevent the misuse of treaty provisions.

Government slashes export duty on petrol, diesel and jet fuel

The government slashed the export duty across the board on petrol, diesel and jet fuel in their latest fortnightly review, according to a late notification on Wednesday (September 16, 2026). Effective from September 16, the export levy on petrol will be ₹0.50 per litre, on diesel ₹20 per litre, and on aviation turbine fuel (ATF) ₹15 per litre.

In the previous fortnightly review, the government had fixed the levy at ₹1.5 for every litre of petrol, diesel at ₹24 per litre and aviation turbine fuel at ₹19 per litre.

The government has been conducting a fortnightly review of export levies since March 27, in the context of the conflict in West Asia. This is to ensure the domestic availability of retail fuels by disincentivising exports.



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