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Tax Trends

Top Tax News This Week

LTCG tax on equities: Govt may restructure rates in coming weeks

The Central Government is reportedly considering restructuring the LTCG tax regime on equity investments ahead of the Union Budget 2027. The existing LTCG tax rate of 12.5% may be reduced to 10%, 5% or 2% to encourage investment in Indian equity markets. The proposal follows significant foreign portfolio investor outflows and recommendations to reconsider the existing tax structure.



Mint



India to examine Liechtenstein's proposal for a Double Taxation Avoidance Agreement (DTAA)

The Government of India has received a draft proposal from Liechtenstein for entering into a DTAA and is examining the same. The proposed agreement aims to prevent the taxation of the same income in both countries and provide greater tax certainty and legal predictability to businesses and investors. Currently, India and Liechtenstein have a Tax Information Exchange Agreement (TIEA), but no DTAA. The proposal is expected to facilitate cross-border investments and strengthen bilateral economic relations

Hindustan Times

Phase II reorganisation of Kerala's state GST department underway

The Kerala Government has initiated the second phase of reorganisation of its State GST Department to improve administrative efficiency and strengthen tax collection. The restructuring involves redistribution of existing posts and deployment of personnel across different departmental functions. A high-level committee has been constituted under the Additional Chief Secretary (Taxes) to examine the proposal. The department also proposes to leverage technology, AI-based data analytics and data-driven decision-making to curb tax leakage and improve GST compliance



The Hindu



GSTAT allows refund of GST on cancelled airline tickets

GST Appellate Tribunal (GSTAT) Ernakulam Bench, in the case of Singapore Airlines Ltd. V. Commissioner of CGST & Central Excise, Kochi, allowed a GST refund of ₹45.92 lakh on cancelled airline tickets. The Tribunal held that the airline was eligible for a refund where it had returned the entire ticket fare, including GST, to passengers but could not adjust the corresponding credit notes against its output tax liability.

Times of India

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