

GST

Changes in GST Rates post 56th GST Council Meeting

Hotel Accommodation Services (Heading 9963)

Room Tariff (per unit per night)	Old Rate	New Rate
Till Rs. 7,500	12% with ITC	5% without ITC
Above Rs. 7,500	18% with ITC	18% with ITC

Supply of hotel accommodation valued up to Rs. 7,500 per unit per day will now attract 5% GST without ITC (earlier 12% with ITC).

- No ITC → hotels cannot claim credit on procurements
- Mandatory rate: Option to pay 18% with ITC is not available for \leq Rs. 7,500 units

Beauty & Physical Well-Being Services (Heading 99972)

Service Category	Old Rate	New Rate
Beauty & wellness services (salons, spas, wellness centres)	18% with ITC	5% without ITC

FAQs on Rate Change Transition

- When GST rates change and you receive Goods and Services before the rate changes, but invoice is issued after the rate changes, GST depends on when the payment is made.

Payment received after rate change	Payment received before rate change
GST will be based on date between invoice date and payment date, whichever is earlier. New rate may apply.	GST based on payment date. Old rates will apply.

- When GST rates change and you receive Goods and Services before the rate changes, but invoice is issued after the rate changes, GST depends on when the payment is made.

Advance received before GST rate change	Advance received after GST rate change
Old rates will apply	New rates will apply.

- ITC on past purchases: Full ITC of correctly charged GST can still be claimed even if rate later drops.
- ITC already in e-credit ledger: Can continue to be used to pay GST on outward supplies regardless of rate change (Sec 49(4) CGST Act)





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