



**REINA [ ] LEGAL**

# **GST THIS WEEK**

**TOP FOUR GST NEWS UPDATES THAT YOU MUST KNOW**

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## Centre, states can legislate on GST matters, says SC

Parliament and state legislatures possess simultaneous power to legislate on GST, the Supreme Court held. It added that the recommendations of the GST Council are not binding on the Union and the states, upholding a ruling of the Gujarat High Court that had been challenged by the Centre

[Source: Economic Times](#)





## **SC verdict on GST Council: Importers to save on 5% IGST on ocean freight**

The Supreme Court struck down the 5% IGST levy on ocean freight, upholding the Gujarat HC decision that had gone in favour of taxpayers. The Supreme Court in its judgment said the impugned levy imposed on the “service” aspect of the transaction is in violation of the principle of “composite supply” enshrined under Section 2(30) read with Section 8 of the CGST Act

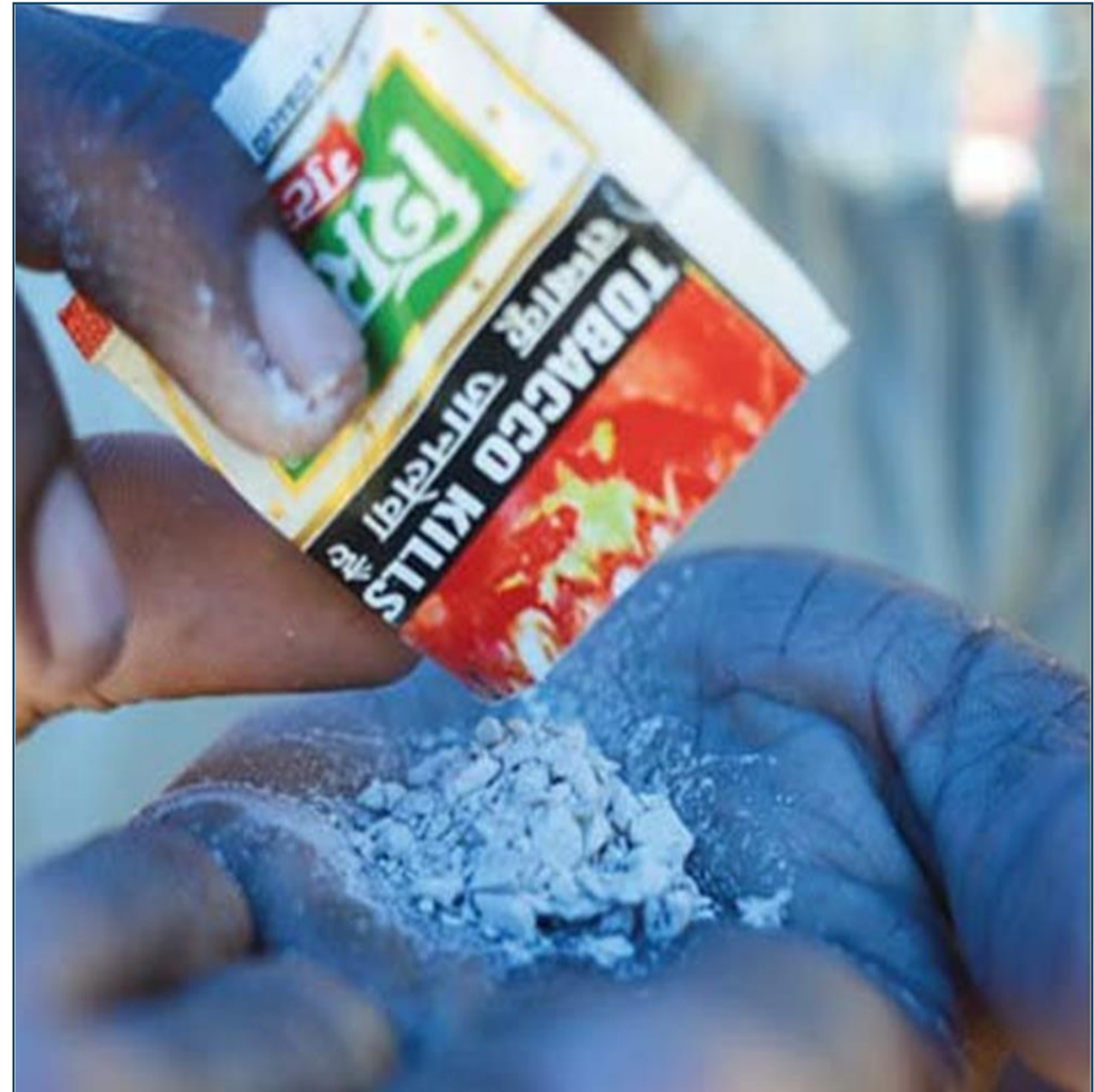
[Source: Business Standard](#)



## GST levy based on capacity on pan masala, gutkha unlikely

A plan to levy GST on pan masala and gutkha on the basis of installed manufacturing capacity may be dropped due to the difficulties in administering the ITC mechanism. Currently, assorted tobacco items and pan masala attract the highest GST rate of 28% and also the 'compensation cess'. The rate of cess on tobacco products is 290%, while that on pan masala is 135%

[Source: Financial Express](#)





## **Non-commercial construction in education institutions to draw less GST: Gujarat AAR**

Construction of buildings, such as hostels, principal's bungalow and staff quarters, in educational institutions is taxable at lower rate of GST, if the structures are not used for commercial activities than those for normal business purposes, ruled Gujarat AAR. The court ruled that such buildings would draw 12% GST, and not 18% levied for other construction activities



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