

# GST Council may slash tax on automobile tyres

**New Delhi, Dec. 19:** The GST Council is likely to slash tax rates on automobile tyres to 18 per cent from 28 per cent currently in its next meeting on Saturday, an official said.

The move is part of the overall plan to rationalise the highest tax bracket of 28 per cent after Prime Minister Narendra Modi Tuesday said that 99 per cent of over 1,200 goods and services will attract 18 per cent or less Goods and Services Tax (GST).

"A 28 per cent tax on automobile tyre impacts common man because ultimately he has to shell out the tax. The overall focus on December 22



Council meet will be to lessen the GST burden on common man," an official said.

Currently there are 34 goods left in the highest tax bracket of 28 per cent.

The list include commonly used items like 'new pneumatic tyre of

rubber' (automobile tyre), digital camera, air conditioners, dish washing machine, set top box for TV, monitors and projectors as well as construction item like cement.

The official said, while a GST rate cut on cement to 18 per cent is likely to cost about ₹20,000 crore annually to the exchequer, the Council is still likely to go ahead.

"Cement is an area where huge instances of evasion was taking place. If tax rates come down more people will buy it from the formal channel and would also boost housing sector as well," the official added. — PT