

90% Of Classified Hotel Rooms Will Be Under 18% GST

90% of the classified hotel rooms will have a tax incidence of 18% or below in the new GST regime. Only 10% of the hotel rooms will fall in the highest slab of 28%. Industry stakeholders are expected to try and bridge the gap between declared and actual tariff and also try to unbundle all additional services from the tariff to remain in the threshold bracket of 18%.

According to the industry, it is a misconception that taxes have gone up with GST, except a few states where the luxury and service tax was higher than the national average. The tourism ministry has set up a GST desk to clarify any queries. The cell will work as a bridge between GST working group and the industry.