

# Govt announces Tax exemptions for businesses with annual turnover of up to Rs 40 lakh

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The Ministry of Finance yesterday said that businesses with an annual turnover of up to Rs 40 lakh are GST exempt. Initially, this limit was Rs 20 lakh. In a tweet, the Finance Ministry said, additionally those with a turnover up to Rs 1.5 crore can opt for the Composition Scheme and pay only 1 per cent tax.

## **Key Highlights**

- It said, once GST was implemented, the tax rate on a large number of items was brought down. As of now, the 28 per cent rate is almost solely restricted to sin and luxury items. Out of a total of about 230 items in the 28 per cent slab, about 200 items have been shifted to lower slabs.
- The Ministry also informed that significant reliefs have been extended to the construction sector, particularly the housing sector which has been placed at the 5 per cent tax rate. GST on affordable housing has been reduced to 1 per cent.
- It said that the taxpayer base has almost doubled since the rollout of GST. The numbers of assessee covered by the GST at the time of its inception were about 65 lakh and now the assessee base exceeds 1.24 crore.
- The Finance Ministry said, all processes in GST have been fully automated and till now 50 crore returns have been filed online. 131 crore e-way bills have been generated since the launch of the system, of which about 40 per cent are for the inter-state transport of goods.
- The number of e-waybills generated has been growing steadily, with the highest single-day

generation of more than 25 lakhs bill taking place on 29th February this year.

**SOURCE:** *The Indian Express*