



Helicopter Service Tax for Religious Purposes Cut to 5%

Why in News?

Recently, at the 54th **Goods and Services Tax (GST)** Council Meeting, the Uttarakhand Finance Minister announced that helicopter services for pilgrims and tourists on a sharing basis will be taxed at 5%.

Key Points

- The 54th GST Council Meeting was chaired by the Union Finance Minister and attended by State Finance Ministers.
- Helicopter services for religious purposes, such as [Kedarnath](#) and [Badrinath](#), have had their GST reduced from 18% to 5%.
- **Current GST Rates:**
 - **Domestic Passenger Transportation:** 5% GST with Input Tax Credit (ITC) only on input services (no ITC on goods).
 - **International Charter Flights:** Zero-rated, meaning no GST is applicable as it is treated as an export of services.
 - **Non-Passenger Services:** Generally 18% GST, similar to other non-passenger air services.

Goods and Services Tax (GST)

- The Goods and Services Tax (GST) is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.
- **Applicable On supply side:** GST is applicable on 'supply' of goods or services as against the old concept on the manufacture of goods or on sale of goods or on provision of services.
- **Destination based Taxation:** GST is based on the principle of destination-based consumption taxation as against the present principle of origin-based taxation.
- **Dual GST:** It is a dual GST with the Centre and the States simultaneously levying tax on a common base. GST to be levied by the Centre is called Central GST (CGST) and that to be levied by the States is called State GST (SGST).
 - Import of goods or services would be treated as inter-state supplies and would be subject to Integrated Goods & Services Tax (IGST) in addition to the applicable customs duties.
- **GST rates to be mutually decided:** CGST, SGST & IGST are levied at rates to be mutually agreed upon by the Centre and the States. The rates are notified on the recommendation of the GST Council.