

HRAEI calls for lower rate of GST for the hospitality industry

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Subhro Niyogi, TNN | Jun 3, 2015, 09.54PM IST

KOLKATA: Hotels and Restaurants Association of Eastern India, the umbrella body of hospitality industry in the region, has welcomed the introduction of GST bill and its passage in Lok Sabha but has expressed concern about the 16-20% indicative rate and called for the capping of rate at 10% for the industry.

"The hospitality industry is happy that there will be a single point uniform taxation for all hotels and restaurants throughout the country. It will substantially reduce paper work and multiple filing of various tax returns will be a thing of the past. The optimism is however circumspect as the industry is not sure about the rate of GST that will be fixed by the government. The indicative rate of 16-20% which is being speculated is very high for the hospitality industry and will mean a body blow to the industry, as a result of which the hotels and restaurants will badly suffer," HRAEI president Sudesh Poddar said.

The members of the association felt the GST rates for the hospitality industry should be capped at 10%. It has argued that since the government is now targeting a manifold increase in foreign tourist arrivals (FTAs), it should introduce a facility whereby the foreign guests who have paid GST on their hotel and restaurant bills can claim refund of GST at the airport at the time of departing.