

Classification of Items under GST Tax

GST stands for Goods and Service Tax. It is one of the most significant tax reforms in India that has great benefits for the Indian Economy. It not only regulates unorganized sectors of the economy but also encourages the flow of foreign investments in India. GST is mandatory compliance and if a business unit is found to supply its goods and services without getting the **GST registration** number is liable to pay heavy penalties as per the GST Act.

It is a simple process and takes around 4-5 working days. GST tax is based upon three types that are given below:

- CGST –Central Goods and Service Tax
- SGST –State Goods and Service Tax
- IGST –Integrated Goods and Service Tax

Classification of Items under GST Tax reforms

The Finance Minister Mr. Arun Jaitley announced that the government wants to keep GST rates close to the original rates but the story was something different. Some of the commodities were placed at high GST rates and some at low GST rates. Here is the brief classification of different commodities based on 4 tier tax structure i.e. 5%, 12%, 18%, and 28%.

GST classification of common items:

S. No.	Tax Rates (%)	List of items
1.	5%	Household necessities including edible oil, spices, sugar, tea, and coffee (except those instant packing and noodles) Coal, Indian Sweets, and Life-saving drugs and medications are covered under this GST slab.
2.	12%	This slab includes all the computers its parts and processed and instant food products.
3.	18%	Commodities like toothpaste, hair oils, soaps, cleaners industrial intermediaries and capital goods come under this category.
4.	28%	All the luxury items like cars, high-end bikes, consumer appliances like AC and Refrigerators and other electrical goods, cigarettes, aerated drinks come under this high tax reform category.

This was all about the common items, below are the other goods classified into 4 tier GST tax reforms.

GST classification of other goods:

No tax goods:	5% tax goods	12% tax goods	18% tax goods	28% tax goods
Sanitary napkins	Renting a	Rail	Food and	Gambling

	motor cab	transportation of goods in containers from any other third party.	drinks at restaurants with a liquor license and AC/ heating	
Salt	Railways and Transportation of goods and passengers	Food and beverages at restaurants without AC/heating or liquor license.	Renting Accommodation for more than Rs. 2500- Rs. 5000 per day	Race club services
Cereal grains like barley, wheat, oat, rye, etc.	Air transportation services.	Chit fund services	Supply of food and party arrangement.	Renting accommodation in 5 stars or above. Entertainment events such as amusement facility, water parks, theme parks, joy rides, merry-go-round, racecourse, go-carting, casinos, ballet and sporting events like IPL, etc.
Palmyra jaggery	Tour operator services	Renting accommodation for more than Rs.1000 and less than Rs.2500 per day	Movie tickets are more than Rs. 100.	
Picture books, coloring and drawing books for children	Print media	Movie tickets less than Rs 100	Circus, theatre, drama, folks, etc.	
Dicalcium Phosphate animal feed grade with IS specification No. 5470: 2002	Leasing of aircrafts	Construction of building for the sale purpose	Supply for a work contract.	
Vegetables preserved using techniques like brine and other preservatives that are unsuitable for		IP rights on a temporary basis	Outdoor catering.	

immediate human
consumption.

Music

Books/manuscripts.

Kajal except for that

kajal pencil sticks

Human hair –

dressed, bleached,

thinned or

otherwise worked

Bones and horn-

cores

Gold: GST on items made from gold such as gold jewellery is 3% however, 5% GST rate is applicable to making charges applied to gold jewellery in case the manufacturing of the jewellery is outsourced to a job worker.

Real estate: GST Rates on the residential real estate is 5% for non-affordable housing properties and 1% for affordable housing properties. No GST is applicable in case of purchasing a ready to move in property. Additionally, different GST rates are applicable on various building materials used in the construction. This can range from 5% on materials like sand, marble rubble, etc. to 28% on materials like cement, etc.