

Notification No - 1/2020 (Central Tax - Rate)

Date - 21st February 2020

Seeks to amend notification No. 1/2017- Central Tax (Rate) dated 28.06.2017 so as to notify rate of GST on supply of lottery.

Notification No. - 1/2017-Central Tax (Rate) dated 28 th June 2017			Notification No. - 1/2020-Central Tax (Rate) dated 21 st February, 2020			
S. No. & Schedule	Chapter / Heading / Subheading / Tariff item	Description of Goods	Amendment			
242. Of Schedule II(6%)	-	<p>Lottery run by State Governments</p> <p>Explanation 1.- For the purposes of this entry, value of supply of lottery under sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 shall be <i>deemed to be 100/112 of the face value of ticket</i> or <i>of the price as notified in the Official Gazette by the organising State,</i> whichever is higher.</p> <p>Explanation 2.- (1) "Lottery run by State Governments" means a lottery not allowed to be sold in any state other than the organising state. (2) Organising state has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010.</p>	Will be omitted from 1 st March 2020			
228. Of Schedule IV(14%)	-	<p>Lottery authorized by State Governments</p> <p>Explanation 1.- For the purposes of this entry, value of supply of lottery under sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 shall be <i>deemed to be 100/128 of the face value of ticket</i> or <i>of the price as notified in the Official Gazette by the organising State,</i> whichever is higher.</p> <p>Explanation 2.- (1) "Lottery authorized by State Governments" means a lottery which is authorized to be sold in State(s) other than the organising state also. (2) Organising state has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010</p>	<p>The following S. No. and the entries shall be substituted, and would be effective from 1st March 2020</p> <table border="1"> <tr> <td>"228.</td> <td>Any chapter</td> <td>Lottery".</td> </tr> </table>	"228.	Any chapter	Lottery".
"228.	Any chapter	Lottery".				

Currently, a state-run lottery attracts 12 % GST, while a state-authorized lottery attracts 28 % GST

So, there were demands to fix an uniform tax rate on lotteries

Accordingly in GST Council meeting held in December 2019 it was decided that 28% Goods and Services Tax (GST) will be levied on lotteries from March 1, according to Notification No. - 1/2020-Central Tax (Rate) dated 21st February, 2020 on state-run and authorized lotteries