57th GST Council: no rate change; rates to be reviewed only once a year

Economy · 8 October 2026 · https://www.shanmugamiasacademy.in/current-affairs-english/2026/10/08



News

At the 57th GST Council meeting in New Delhi on 8 Oct 2026, chaired by Union Finance Minister Nirmala Sitharaman, no tax rates were changed. She announced that rate changes will now be considered only once a year and take effect from 1 April, to give businesses a stable, predictable tax regime.

Key facts

Meeting	57th GST Council, 8 Oct 2026, New Delhi
Rates	No change
New practice	Rate changes once a year, effective 1 April
ITC	Extended to employee health/life insurance, telecom towers, pipelines outside factories
Refunds	Acknowledgement 15 → 10 days; 90% of eligible claims auto-sanctioned
Small business	Optional scheme for B2C sellers up to ₹5 crore turnover – annual return, quarterly tax (approved in principle)

Background

- Constitution: GST came through the 101st Amendment (2016) and began on 1 July 2017. Article 246A – power to make GST laws; 269A – IGST on inter-State trade; 279A – GST Council.
- GST Council: chaired by the Union Finance Minister; members – the Union MoS Finance and all State finance ministers. Votes: Centre 1/3, States 2/3; decisions need a 3/4 majority; quorum is half the members.
- GST 2.0: from 22 Sept 2025, two main slabs – 5% and 18% – and 40% for luxury and sin goods. After its first year, the focus has moved to process reforms.
- History: GST was recommended by the Vijay Kelkar Task Force (on implementing the FRBM Act, 2004); the Empowered Committee of State Finance Ministers led by Asim Dasgupta shaped it. 'One Nation, One Tax'.
- GST types: CGST (Centre), SGST (State), UTGST (UT) for intra-State sales; IGST for inter-State sales and imports.

Tamil Nadu link: Tamil Nadu's Finance Minister is a member of the GST Council, and Tamil Nadu is among the top States in GST collection. Chennai hosts a zonal GST Principal Chief Commissionerate.

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