



Ministry of Civil Aviation

# Impact of GST on Civil Aviation Sector

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Under the GST regime the applicable tax rate on economy class passenger tickets has been reduced from 6% to 5% (non-creditable for goods), while the tax rate on business class has been increased from 9% to 12% with input tax creditable for both goods and services procured by airlines. Petroleum products including ATF are presently outside the purview of GST.

With a view to reducing the overall tax burden on the consumer, the Goods and Services Tax (GST) regime amalgamates a large number of Central and State taxes into a single tax and allows set-off of prior stage taxes thereby mitigating the ill-effects of cascading taxes on prices across all sectors including civil aviation.

This information was given by the Minister of State for Civil Aviation Shri Jayant Sinha in a written reply to a question in the Rajya Sabha today.

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NP/MS

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