

HRAWI Appeals For A Revisit Of Input Tax Credit Aspect Of GST

One of the anomalies that emerged post GST rolls out was that MICE activities and other events held in hotels outside of home state are not eligible for Input Tax Credit (ITC).

This has been leading to cancellations and postponements for pre-booked events. There is an overall reduction in MICE bookings across hotels in India as compared to the same period last year. Advance bookings are being cancelled and new bookings are not happening. Most companies are considering holding events in the same state where they are registered under GST. Businesses may still have digested the high GST, but without ITC, it just becomes unviable.

Given the emergence of MICE Tourism as one of the fastest growing segments, and its potential to disrupt growth, the Hotel and Restaurant Association of Western India (HRAWI) has appealed to the Government to revisit this particular aspect of the GST.