

## **MICE Crisis Hits Hospitality Sector After GST Implementation In July**

There seems to be no respite for the hotel industry. If demonetization and highway liquor ban were not enough, now hoteliers have found themselves entangled in a goods and services tax clause, bleeding them even further. One of the glitches that emerged after GST roll 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.

The tax percentage is determined based on the published or declared rate, which is creating considerable hardships for the industry. The association has, therefore, appealed to the government to remove this condition and determine the tax percentage based on the actual transaction value. It has also requested the government to review the ITC clause for interstate accommodations.