

Lower GST rates to boost hospitality, transport and cultural sectors

The revamped GST rates, effective from Monday, are set to make travel and culture more affordable while driving growth in India's tourism ecosystem, the government announced.

Earlier this month, the GST Council reduced rates across key sectors:

- Hotels below ₹7,500/day: GST cut from 12% to 5% (without ITC)
- Passenger buses (over 10 seats): Reduced from 28% to 18%
- Art & cultural goods: Lowered from 12% to 5%

“These reforms will strengthen domestic tourism, promote cultural heritage, and encourage investment across hospitality, transport, and traditional crafts,” the official statement said.

Key Benefits

- **Affordable Stays:** Budget and mid-range hotels become cheaper, aligning India's hospitality taxes with global destinations. This is expected to boost weekend getaways, pilgrimage circuits, heritage and eco-tourism, while also spurring investment in new hotels, homestays, and guesthouses.
- **Cheaper Travel:** Lower GST on buses reduces upfront costs for operators, enabling more modern fleets, affordable fares in semi-urban/rural areas, and a shift from private to public transport—cutting congestion and emissions.
- **Support for Artisans:** The reduced tax on statues, engravings, ornamental and stone artware directly benefits craftsmen, sculptors, and folk artists, while preserving temple art, miniature painting, and stone inlay traditions.

A Push for Inclusive Growth

The government highlighted that under PM Modi's leadership, the reforms align with India's vision of sustainable and inclusive growth, fostering job creation and post-pandemic recovery.

"These GST reductions reflect a strategic effort to boost affordability, protect cultural heritage, and promote India globally as a vibrant and inclusive destination," it added.