

Bringing Natural gas under GST

October 28, 2020

In news

Global energy majors have called on the government to bring natural gas under the GST regime at the India energy Forum being held recently

Which goods are outside the GST now?

Currently petrol, diesel, aviation turbine fuel, natural gas and crude oil fall outside India's Goods and Services Tax (GST) regime.

Impact of bringing natural gas under the GST regime

- **Reduce cascading impact:** Experts have argued that bringing natural gas under the GST would lead to a reduction in the cascading impact of taxes on industries such as power and steel, which used natural gas as an input.
- **Do away with certain taxes:** The inclusion of natural gas under the GST regime would do away with the central excise duty and different value added taxes imposed by states.
- **Increase in the adoption of natural gas:** This would lead to an increase in the adoption of natural gas in line with the government's stated goal to increase the share of natural gas in the country's energy basket from 6.3% to 15%