

F. No. 354/149/2017-TRU  
Government of India  
Ministry of Finance  
Department of Revenue  
Tax Research Unit  
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New Delhi, the 27<sup>th</sup> August, 2017

To,

The Principal Chief Commissioner/Chief Commissioners/ Principal Commissioner/  
Commissioner of Central Tax (All) / Director General of Systems

Madam/Sir,

**Subject: - Issue related to classification and GST rate on lottery tickets – regarding**

Supply of lottery has been treated as supply of goods under the Central Goods and Services Tax (CGST) Act, 2017.

2. Accordingly, based on the recommendation of the GST Council, the GST rate for supply of lottery has been notified under relevant GST rate notification relating to CGST/IGST/UTGST/SGST. However, entries in the respective notifications mention classification for lottery as “-”.
3. In this connection, references have been received, *inter-alia*, stating that due to discrepancy in code allotted, i.e., lottery is defined as goods but code allotted for lottery is under services, the assessee are not able to upload return or deposit tax in time.
4. The matter has been examined. It should be noted that the process of filing return is linked with rate of tax specified for supply. Further, there is complete clarity about rate of tax on lotteries. As mentioned above, in GST, lottery is goods and the classification indicated in relevant notification for lottery is “-”, which means any chapter.
5. That being so, it is clarified that the classification for lottery in respective CGST, IGST, UTGST and SGST notifications shall be ‘Any Chapter’ of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and tax on lottery should be paid accordingly at prescribed rates, 12% or 28%, as the case may be.

(Ruchi Bisht)  
Under Secretary (TRU)