

## **NBR revises VAT, SD on restaurants, non-AC hotels, others**

- A Monitor Desk Report

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Dhaka: The National Board of Revenue (NBR) has revised VAT and supplementary duty (SD) on nine goods and services, including restaurants, non-AC hotels, and others.

NBR brought down the indirect taxes two weeks after the government hiked rates of nearly 100 goods and services, after the move drew criticism that the spike would stoke inflation further.

In a press release on January 22, NBR said it has slashed VAT on ready-made clothes, restaurants, sweets, non-AC hotels, and motor workshops, mostly restoring it to previous levels.

NBR restored SD on mobile phone usage to 20 per cent from 23 per cent and withdrew 10 per cent SD on broadband internet services. Trade VAT on medicine has been restored to its previous rate of 2.4 per cent,

down from three per cent.

The VAT on restaurants has been brought back to five per cent from 15 per cent. However, three to five-star hotels will continue to be subject to a 15 per cent VAT rate as they can claim input tax credits.

The VAT on automobile workshop services has been slashed at 10 per cent following protests, down from 5 per cent. VAT on readymade clothes by branded fashion stores has been lowered to 10 per cent from 15 per cent.

Buyers of non-branded clothes will require to pay 7.5 per cent VAT. Earlier, VAT on both branded and non-branded outlets was 7.5 per cent VAT.

The VAT on sweets shop has been reduced to 10 per cent, reversing the earlier hike from 7.5 per cent to 15 per cent. Non-AC hotels will now face a 10 per cent VAT, down from 15 per cent but higher than the earlier 7.5 per cent rate.

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