GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 3678

TO BE ANSWERED ON MONDAY, AUGUST 10, 2026/SHRAVANA 19, 1948 (SAKA)

GST Impact on Livestock Insurance Coverage

3678. Shri Konda Vishweshwar Reddy:

Will the Minister of FINANCE be pleased to state:

(a) the Goods and Services Tax (GST) revenue collected from insurance premiums on livestock/cattle policies outside the National Livestock Mission's Central Sector Scheme on Cattle Insurance during each of the last three financial years, State-wise;
(b) the basis on which livestock insurance premiums are placed in the standard 18 per cent GST slab;
(c) whether the Government has considered the fact that businesses insuring machinery can claim back the GST paid on the premium, effectively reducing the tax to nil, whereas livestock owners insuring their animals which are similarly productive but living asset receive no such relief, if so, the reasons therefor; and
d) whether the Government has assessed the impact of this tax rate on insurance uptake among livestock owners outside subsidized schemes and proposes to move a proposal before the GST Council to reduce it, including herd sizes beyond the National Livestock Mission's subsidy cap and if so, the details thereof?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): GST revenue data is collected against each SAC (Services Accounting Code.) Livestock/cattle insurance falls under the SAC 997139 which include all other non-life insurance services such as motor vehicle insurance, livestock insurance, home insurance, travel insurance etc. The data regarding GST revenue collected against insurance premiums charged on livestock/cattle policies outside the National Livestock Mission's Central Sector Scheme on Cattle Insurance is not separately maintained.

(b): The GST rates and exemptions on any supply of services and goods are prescribed on the recommendations of the GST Council which is a Constitutional body comprising of representatives from the Union/States/UT Governments.
The GST rate on livestock insurance premium since the introduction of GST, i.e., 01.07.2017 is 18%, at par with most of the other services.

(c): Input Tax Credit (ITC) is admissible only on inputs/input services used for making taxable outward supplies. Where the outward supply is non-taxable or fully exempt, ITC with respect to inputs and input services is not available as per GST law.

(d): As per the information obtained from IRDAI, no such assessment has been undertaken regarding the impact of the GST rate on insurance uptake among livestock owners outside subsidized schemes.
It is further stated that at present no such proposal to reduce tax rate on livestock insurance is pending for consideration before the GST Council.

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