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L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

L&S GST Update
No. 42 of 2017

- **Changes in GST rate for certain services**
- **Additional exemptions in respect of certain services**
- **Reverse Charge – Certain amendments**

CGST Rate on certain services revised - Notification No. 20/2017-Central Tax (Rate) dated 22-8-2017

- This notification amends Notification No. 11/2017-Central Tax (Rate) which prescribes the rate of CGST for services. Relevant changes are as under:
  - Transportation of passengers by motorcab and renting of motorcab where the cost of fuel is included in the consideration - Rate of CGST will be 6%, **if** service provider wishes to avail input tax credit on goods and services used in supplying the service.
  - GTA service in relation to transportation of goods (including used household goods for personal use) - Rate of CGST will be 6% if provider of the service wants to avail input tax credit on goods and services used in supplying the service.

Notification No. 20/2017-Central Tax (Rate) (contd.)

- GTA opting to pay CGST @ 6% shall, henceforth, be liable to pay CGST @ 6% on all the services of GTA supplied by it (total GST rate will be 12%).
- In relation to composite supply of works contract services, CGST rate of 6% has been introduced for certain works contract (total GST rate will be 12%).
- Job work services in relation to textiles and textile products (falling under Chapters 50 to 63) will attract CGST at the rate of 2.5% (total GST rate will be 5%).
- Services by way of printing of newspapers, books (including Braille books), journals and periodicals, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer will attract CGST at the rate of 6%.

Exemption to certain services - Notification No. 21/2017-Central Tax (Rate)

- This Notification amends Notification No. 12/2017-Central Tax (Rate) providing for exemption to specified services. By this amending notification, the following services have been exempted:
  - Services provided by and to FIFA and its subsidiaries in respect of events under FIFA U-17 World Cup 2017 to be hosted in India, subject to conditions.
  - Services provided by Fair Price Shops to Central Government, State Governments or Union Territories.

Reverse Charge - Notification No. 22/2017-Central Tax (Rate)

- This notification amends Notification No. 13/2017-Central Tax (Rate) and provides that in respect of services provided by GTA, certain specified recipients would be liable to pay tax under reverse charge **only if the GTA has not paid CGST @ 6%.**
- Therefore, the services by a GTA in respect of transportation of goods by road is no longer covered under reverse charge if GTA is paying CGST at the rate of 6%.
- It has also been provided that the 'limited liability partnership' formed and registered under the provisions of the Limited Liability Partnership Act, 2008 shall also be considered as a partnership firm or firm.

House-keeping services supplied through e-commerce operator - Notification No. 23/2017-Central Tax (Rate)

- This notification amends Notification No. 17/2017-Central Tax (Rate) and provides that in case of intra-State supply of services by way of house-keeping, such as plumbing, carpentering, etc., supplied though an e-commerce operator, tax shall be paid by such operator under reverse charge.

- However, e-commerce operator would not be liable to discharge tax liability under reverse charge if the supplier is liable for registration under Section 22(1) of CGST Act.

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