



SERVICES TAKEN FROM GOVT. AUTHORITIES

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Reverse charge applicability on Govt Services

As per section 9 (3) of CGST Act 2017 Services provided by **Central Govt, State Govt, Union Territory or local Authority to business entity** excluding few services like renting of immovable property, Speed Post services, etc. are taxable on reverse charge basis in the hand of recipient of services.

Meaning of Govt & local Authority

As per section 2 (53) of CGST Act 2017, "**Government**" means the Central Government. As per clause (23) of section 3 of General Clauses Act 1897 The Government includes both the central government and any State Government. Central Govt means president and officers subordinate to him having executive powers of the union vested in the president.

As per section 2(69) of CGST Act 2017 "**Local Authority**" means a panchayat as defined in clause (d) of article 243 of constitution ,a Municipality as defined in clause (e) of article 243 of constitution, development board constituted under article 371 of the constitution etc.

Taxability (Reverse charge & forward charge) /Exemption on Services supplied by Government

Services provided by Central Govt, State Govt, Union Territory or local Authority to business entity excluding few services like renting of immovable property, Speed Post services, etc. are taxable on reverse charge basis in the hand of recipient of services. For clarity refer table below.

Sl. No	Type of Govt services	Taxable under reverse charge	Taxable under forward charge	Exemption	Remark
1	Services supplied by Central Govt, State Govt, Union Territory or local Authority to business entity excluding few services	Yes			
2	Renting of immovable property	No	yes		SI no 5 of notification no 13/2017 central tax (rate) dated 28-06-2017
3	Services by the department of post by way of speed post, express parcel post, life insurance		yes		Do
4	Services in relation to air craft or a vessel inside or outside the precincts of a port or an airport		Yes		Do
5	Transport of goods or passenger		Yes		Do
6	Services by Central Govt, State Govt, or local Authority for function entrusted to Municipality under article 243 W of constitution.			YES	SI no 4 of Notfn no 12/2017 central tax (rate) dated 28-06-2017 Functions under 243 W are (a) Urban planning including town planning (b) Regulation of land use (c) Roads & Bridge (d) Water supply (e) Public health sanitation and solid waste mgt

					(f) Fire, (g) Protection of environment and promotion of ecological (h) Park garden play grounds (i) Public amenities including street light parking etc.
7	Services by Central Govt, State Govt, or local Authority by way of (a) Registration required under any law for time being in force (b) Testing, calibration ,safety check or certification relating to protection or safety of workers or consumers or public at large			yes	Sl no 47 of Notfn no 12/2017 central tax (rate) dated 28-06-2017
8	Services by Central Govt, State Govt, or local Authority where consideration for such service does not exceed five thousands rupees.			yes	Sl no 9 of Notfn no 12/2017 central tax (rate) dated 28-06-2017

Further Services taken from Governmental Authorities are not under reverse charge but some services provided by governmental authorities are exempted which need to keep in mind.

Governmental Authority defined in Notification 31/2017 Central Tax Rate dated 13-10-2017.