

Comparative Study of exemptions proposed under GST for Services

I. Services which are newly taxed under GST

Sr. No	Description of Service	GST Rates	Service Tax Law
1	Services relating to rearing of horses	18%	Exempted
2	Services provided by Government or a local authority by way of assignment of right to use natural resources to an individual farmer for rearing of horses	18%	Exempted
3	Services provided by way of renting of precincts of a religious place meant for general public, owned or managed by an entity registered as a charitable or religious trust where charges for: <ul style="list-style-type: none"> a. Renting of rooms are Rs 1000/- or more per day; b. Renting of premises, community halls, kalyanmandapam or open area, etc are Rs 10,000/- or more per day; c. Renting of shops or other spaces for business or commerce are Rs 10,000/- or more per month. 	18%	Exempted
4	Services by way of <u>transportation by rail or a vessel</u> from one place in India to another of the following goods <ul style="list-style-type: none"> a. chemical fertilizer b. oil cakes; c. cotton, ginned or baled. 	5%	Exempted
5	Services provided by a <u>goods transport agency</u> , by way of transport in a goods carriage of,- <ul style="list-style-type: none"> a. chemical fertilizer and oil cakes; b. cotton, ginned or baled 	5%	Exempted

Sr. No	Description of Service	GST Rates	Service Tax Law
6	Carrying out an intermediate production process as job work in relation to rearing of horses, for food, fibre, fuel, raw material or other similar products.	18%	Exempted
7	Services by way of loading, unloading, packing, storage or warehousing of cotton, ginned or baled	18%	Exempted
8	Services by way of right to admission to an exhibition of cinematographic film (Movie Theatres)	28%	Exempted
9	Services provided to the Government, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of – <ul style="list-style-type: none"> a. historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958); b. canal, dam or other irrigation works; c. pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal; or 	18%	Exempted
10	Services provided to the Government, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of – <ul style="list-style-type: none"> a. a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession; b. a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment; or c. a residential complex predominantly meant for self-use or the use of their employees or other persons specified in the Explanation 1 to clause (44) of section 65B of the said Act; under a contract which had been entered into prior to the 1st March, 2015 and on which appropriate stamp duty, where applicable, had been paid prior to such date: provided that nothing contained in this entry shall apply on or after the 1st April, 2020;”	18%	Exempted
11	Services provided by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,- <ul style="list-style-type: none"> a. a road, bridge, tunnel, or terminal for road transportation for use by general public; b. a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru 	18%	Exempted

Sr. No	Description of Service	GST Rates	Service Tax Law
	<p>National Urban Renewal Mission or Rajiv Awaas Yojana;</p> <p>c. a civil structure or any other original works pertaining to the “In-situ” rehabilitation of existing slum dwellers using land as a resource through private participation under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers (only with material contracts)</p> <p>d. a civil structure or any other original works pertaining to the “Beneficiary-led individual house construction / enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana (only with material contracts)</p> <p>e. a single residential unit otherwise than a part of residential complex (only with material contracts)</p> <p>f. a building owned by an entity registered under section 12 AA of the Income tax Act, 1961(43 of 1961) and meant predominantly for religious use by general public;</p> <p>g. a pollution control or effluent treatment plant, except located as a part of a factory; or a structure meant for funeral, burial or cremation of deceased;</p>		

II. Services newly exempted under GST

Sr. No	Description of Service	GST	Service Tax Law
1	Services provided by the Goods and Services Tax Network (GSTN) to the Central Government or State Governments/Union Territories for implementation of Goods and Services Tax (GST)	Exempted	Not Relevant

III. Continuation of Exemptions under GST

S. No.	Description of Service	Exemption Status	
		GST	Service Tax
1	All Services provided by Government or a local authority except — a. Some services of the Department of Posts b. Services in relation to an aircraft or a vessel c. Transport of goods or passengers; or	Exempted	Exempted
2	Services provided by the Reserve Bank of India	Exempted	Exempted
3	Services by a foreign diplomatic mission located in India	Exempted	Exempted
4	a. Services relating to cultivation of plants and rearing of animals for food, fibre, fuel, raw material or other similar products b. Services in relating to agriculture or agriculture produce by way of—	Exempted	Exempted
5	Toll charges collected to access the road or a bridge	Exempted	Exempted
6	Transmission or distribution of electricity by an electricity utility	Exempted	Exempted
7	Renting of residential property for use as Residence	Exempted	Exempted
8	a. Interest income from deposits, loans or advances b. Sale or purchase of foreign currency amongst banks or authorized dealers	Exempted	Exempted
9	a. Services of Goods transportation by road provided by all persons other than GTA and courier agency. b. Goods Transportation by inland water ways	Exempted	Exempted
10	Bio-medical Waste Treatment Services provided to a Facility to a clinical establishment	Exempted	Exempted
11	Services by a veterinary clinic in relation to health care of animals or birds	Exempted	Exempted

12	Services by an entity registered under section 12AA of the Income tax Act by way of charitable activities	Exempted	Exempted
13	Services by a specified organization in respect of a religious pilgrimage facilitated by the Ministry of External Affairs of the Government of India, under bilateral arrangement	Exempted	Exempted
14	<p>Services provided by-</p> <p>(a) an arbitral tribunal to -</p> <p>(i) any person other than a business entity; or</p> <p>(ii) a business entity with a turnover up to Rs.20 lacs (Rs.10 lacs in a special category state) in Previous F.Y</p> <p>(b) Legal Services provided by an Advocate firm or Individual (excluding a senior advocate) to -</p> <p>(i) an advocate firm or individual providing legal services;</p> <p>(ii) any person other than a business entity; or</p> <p>(iii) a business entity with a turnover up to Rs.20 lacs (Rs.10 lacs in NE state) in Previous F.Y</p> <p>(c) a senior advocate by way of legal services to -</p> <p>(i) any person other than a business entity; or</p> <p>(ii) a business entity up to up to Rs.20 lacs (Rs.10 lacs in a special category state) in Previous F.Y</p>	Exempted	Exempted
15	<p>a. Services Provided by an educational institution to its students, faculty and staff;</p> <p>b. Services provided to an educational institution, by way of,-</p> <p>(i) transportation of students, faculty and staff;</p> <p>(ii) catering, including any mid-day meals scheme sponsored by the Government;</p> <p>(iii) security or cleaning or house-keeping services performed in such educational</p>	Exempted	Exempted

	<p>institution;</p> <p>(iv) services relating to admission to, or conduct of examination by, such institution upto higher secondary.</p> <p>Exemption in clause (b) is available only up to Higher Secondary educational institution</p>		
16	<p>Services provided by the IIM, as per the guidelines of the Central Government, to their students, by way of the following educational programmes, except Executive Development Programme, -</p> <p>a) 2 Years full time residential Post Graduate Programmes in Management</p> <p>b) fellow programme in Management;</p> <p>c) five year integrated programme in Management.</p>	Exempted	Exempted
17	<p>Services provided to a recognized sports body by-</p> <p>a. an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body;</p> <p>b. another recognized sports body;</p>	Exempted	Exempted
18	<p>Services by an artist by way of a performance in folk or classical art forms of</p> <p>(i) music, or</p> <p>(ii) dance, or</p> <p>(iii) theatre,</p> <p>if the consideration charged for such performance is not more than Rs. 1.50 lacs:</p> <p>Provided that the exemption shall not apply to service provided by such artist as a brand ambassador;</p>	Exempted	Exempted
19	<p>Services by way of collecting or providing news by an independent journalist, Press Trust of India or United News of India;</p>	Exempted	Exempted
20	<p>Services by way of giving on hire –</p> <p>a. a Bus to a state transport undertaking,</p> <p>b. a vehicle to a GTA for transportation of goods;</p>	Exempted	Exempted
21	<p>Transport of passengers, by –</p> <p>a. air, embarking from or terminating in an airport located in the North Eastern States or at Bagdogra located in West Bengal;</p> <p>b. Non AC contract carriage for transportation of passengers, excluding used for tour or hire</p> <p>c. Non AC stage carriage</p>	Exempted	Exempted

22	Service by a society to its own members by way of reimbursement of charges or share of contribution - a. as a trade union; b. for the provision of carrying out any activity which is exempt from the levy of GST; or c. up to an amount of Rs.5000/- per month per member for sourcing of goods or services for the common use of its members in a housing society or a residential complex;	Exempted	Exempted
23	Services by way of slaughtering of animals	Exempted	Exempted
24	Services received from a provider of service located in a non- taxable territory by – a. Government, a local authority, a governmental authority or an individual in relation to any non-business purpose b. an entity registered under section 12AA of the Income tax Act, 1961 (43 of 1961) for the purposes of providing charitable activities; or c. a person located in a non-taxable territory;	Exempted	Exempted
25	Services of public libraries	Exempted	Exempted
26	Services by ESIC to persons governed under the Employees’ Insurance Act, 1948 (34 of 1948);	Exempted	Exempted
27	Services by way of transfer of a going concern, as a whole or an independent part thereof;	Exempted	Exempted
28	Services by way of public conveniences like facilities of bathroom, washrooms, lavatories, urinal or toilets;	Exempted	Exempted
29	Services by government, local authority or governmental authority by way of any activity in relation to any function entrusted to a municipality under Article 243 W of the Constitution.	Exempted	Exempted
30	Services received by the RBI, from outside India in relation to management of foreign exchange reserves	Exempted	Exempted
31	Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India.	Exempted	Exempted
32	Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables	Exempted	Exempted
33	Services by way of admission to a museum, national park, wildlife sanctuary, tiger reserve or zoo	Exempted	Exempted

34	Services provided by Government or a local authority to a business entity with a turnover up to Rs.20 lacs (Rs.10 lacs in NE state) in the Previous F.Y Explanation- Exemption not applicable to a. services at S. No. 1 (a), (b)and (c); and b. services by way of renting of immovable property;	Exempted	Exempted
35	Services provided by IRDA to insurers	Exempted	Exempted
36	Services provided by SEBI	Exempted	Exempted
37	Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.	Exempted	Exempted
38	Services provided by Government or a local authority to another Government or local authority: - Exemption not applicable for services at S. No. 1 (a), (b)and (c) above	Exempted	Exempted
39	Services provided by Government or a local authority by way of issuance of passport, visa, driving licence, birth certificate or death certificate.	Exempted	Exempted
40	Services provided by Government or a local authority by way of tolerating non-performance of a contract for which consideration is payable in the form of fines or liquidated damages	Exempted	Exempted
41	Services provided by Government or a local authority by way of- a. registration required under any law; b. testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law	Exempted	Exempted
42	Services provided by Government or a local authority by way of assignment of right to use natural resources to an individual farmer for cultivation	Exempted	Exempted
43	Services by Government, a local authority or a governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution:	Exempted	Exempted
44	Services provided by Government or a local authority by way of assignment of right to use any natural resource where such right to use was assigned by the Government or the local authority before the 1 st April, 2016: Provided that the exemption shall apply only to service tax payable on one time charge payable, in full upfront or in installments, for assignment of right to use such natural resource	Exempted	Exempted

45	Services provided by Government or a local authority by way of allowing a business entity to operate as a telecom service provider or use radio frequency spectrum during the period prior to 1st April, 2016, on payment of licence fee or spectrum user charges, as the case may be	Exempted	Exempted
46	Services provided by Government by way of deputing officers after office hours or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges (MOT).	Exempted	Exempted
47	Taxable service provided by State Government Industrial Development Corporations/ Undertakings to industrial units by way of granting long term (30 years or more) lease of industrial plots from so much of tax leviable thereon, as is leviable on the one time upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable for such lease.	Exempted	Exempted
48	Services provided by cord blood banks by way of preservation of stem cells or any other service in relation to such preservation	Exempted	Exempted
49	Services by way of training or coaching in recreational activities relating to a. arts or culture. or b. sports by charitable entities registered under section 12AA of Income tax Act, 1961	Exempted	Exempted
50	Services provided by certain Skill development corporations	Exempted	Exempted
51	Services of assessing bodies empanelled centrally by Directorate General of Training, Ministry of Skill Development and Entrepreneurship by way of assessments under Skill Development Initiative (SDI) Scheme	Exempted	Exempted
52	Services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana under the Ministry of Rural Development by way of offering skill or vocational training courses certified by National Council for Vocational Training.	Exempted	Exempted
53	Services by way of sponsorship of sporting events organized by certain specified organisations	Exempted	Exempted
54	Services provided by way of pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the Beneficiary-led individual house construction / enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana (PMAY);	Exempted	Exempted
55	Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex	Exempted	Exempted

56	Service of transportation of passengers, by— a. railways in a class other than— (A) first class; or (B) an air-conditioned coach; b. metro, monorail or tramway; c. inland waterways; d. public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and e. metered cabs or auto rickshaws (including E-rickshaws)	Exempted	Exempted
57	Services by a person by way of- (a) conduct of any religious ceremony; (b) renting of precincts of a religious place meant for general public, owned or managed by an entity registered as a charitable or religious trust	Exempted	Exempted
58	Services by a hotel, inn, guest house, club or campsite, having declared tariff of a unit of accommodation less than Rs.1000/- per day	Exempted	Exempted
59	Services by way of transportation by <u>rail or a vessel</u> from one place in India to another of the following goods - a. relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; b. defence or military equipments; c. newspaper or magazines registered with the Registrar of Newspapers; d. railway equipments or materials; e. agricultural produce; f. milk, salt and food grain including flours, pulses and rice; g. organic manure	Exempted	Exempted
60	Services provided by a <u>goods transport agency</u> , by way of transport in a goods carriage of,- a. agricultural produce; b. goods, where gross amount charged for the transportation of goods on a consignment	Exempted	Exempted

	<p>transported in a single carriage does not exceed one thousand five hundred rupees;</p> <p>c. goods, where gross amount charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred fifty;</p> <p>d. milk, salt and food grain including flour, pulses and rice;</p> <p>e. organic manure</p> <p>f. newspaper or magazines registered with the Registrar of Newspapers;</p> <p>g. relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or</p> <p>h. defence or military equipment's;</p>		
61	<p>Services by the following persons in respective capacities -</p> <p>a. business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch;</p> <p>b. any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in clause (g); or</p> <p>c. business facilitator or a business correspondent to an insurance company in a rural area</p>	Exempted	Exempted
62	Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals for food, fibre, fuel, raw material or other similar products or agricultural produce	Exempted	Exempted
63	Services by way of loading, unloading, packing, storage or warehousing of rice	Exempted	Exempted
64	<p>Services by way of right to admission to, -</p> <p>(i) circus, dance, or theatrical performance including drama or ballet;</p> <p>(ii) award function, concert, pageant, musical performance or any sporting event other than a recognized sporting event</p> <p>(iii) recognised sporting event</p> <p>where the consideration for admission is not more than Rs 250 per person in (i), (ii) and (iii) above.</p>	Exempted	Exempted

65	Services provided by Government or a local authority where the gross amount charged for such services does not exceed Rs.5000/. Exemption shall not apply to services S. No. 1 (i), (ii) and (iii) above:	Exempted	Exempted
66	Health care services by (a). clinical establishment (Hospitals), (b). a medical practitioner or para-medics Services provided by way of transportation of a patient in an ambulance	Exempted	Exempted
67	Services provided by any person for official use of a foreign diplomatic mission or consular post in India or for personal use or for the use of the family members of diplomatic agents or career consular officers posted therein. This exemption is available on reciprocal basis based on a certificate issued by MEA (Protocol Division)	Exempted	Exempted
68	Services by an acquiring bank, to any person in relation to settlement of an amount up to Rs.2000/- in a single transaction transacted through credit card, debit card, charge card or other payment card service. Explanation. — For the purposes of this entry, “acquiring bank” means any banking company, financial institution including non-banking financial company or any other person, who makes the payment to any person who accepts such card	Exempted	Exempted

Disclaimer

Views expressed in the synopsis are matters of opinion. Above synopsis is based on our understanding of the law and regulations prevailing as of the date of this alert and our past experiences. It may also be noted that final exemptions will become effective only once the Government issues a notification in this regards and hence the above list may undergo changes.

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