

Ruling

No GST Applicable on Transport of Staff and Students of School.

Observations & Findings

The Applicant, Smt. Muniyasamy Abhinaya, operating as an individual (Proprietorship) and an unregistered entity for GST, has been approached by several schools in Chennai to offer transport services, specifically pick-up and drop-off for school children. This service is exclusively intended for students enrolled in the respective schools and does not cater to the general public. Payment of fees will be directly collected from parents, as per the agreement with the school. Additionally, the transportation of teachers and staff, compensated by the school, will be included in the service. Bus/van permits will be under the name of the respective schools.

The Applicant seeks clarification on the following questions:

- a. Whether GST is applicable to the mentioned service?
- b. Whether the collection of transportation charges from parents will be taxed or exempted under GST, considering that only school students and staff are involved, as outlined in the agreement with the school?
- c. If GST is applicable, what is the applicable percentage to be charged from parents and the school?

Upon examination, the authority notes that the Applicant plans to provide transportation services, specifically picking up and dropping off school children and staff, through an agreement with the schools. The bus and van permits will be registered in the names of the respective schools. Consequently, the proposed activity qualifies for exemption under sl.no.66(b) of Notification No. 12/2017-Central Tax (rate) dated 28.06.2017. Hence, no GST shall be applicable to the transport services provided by the applicant.