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**GST:**

**RCM on Renting of Motor Vehicles**

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## GST: Reverse Charge Mechanism (RCM) on Renting of Motor Vehicles

Government vide recent notification and circular clarified on applicability of RCM provisions on renting of motor vehicles. The clarified applicability is summarized as under -

<b>Service Covered:</b>	Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient.
<b>Service Provider:</b>	Any person (other than a Body Corporate) who supplies the service to a Body Corporate and does not issue an invoice charging GST @ 12% to the service recipient.
<b>Service Recipient:</b>	Body Corporate located in the taxable territory.
<b>Applicable from:</b>	1 <sup>st</sup> October'2019.

Tabular gist of RCM applicability under various scenarios –

S. No.	Service Provider	Service Recipient	GST Rate	RCM Applicable	Person Liable to pay GST	ITC
1	Body Corporate	Any Person	12%	No	Service Provider	Available
2	Body Corporate	Any Person	5%	No	Service Provider	Restricted
3	Other than Body Corporate	Body Corporate	12%	No	Service Provider	Available
4	Other than Body Corporate	Body Corporate	5%	Yes	Service Recipient	-
5	Other than Body Corporate	Other than Body Corporate	12%	No	Service Provider	Available
6	Other than Body Corporate	Other than Body Corporate	5%	No	Service Provider	Restricted

Reference: Notification No. 29/2019 – Central Tax (Rate) dated 31<sup>st</sup> December'2019 and F. No. 354/189/2019-TRU.

### **How to Comply with GST Provisions:**

Our expert team can help you in ensuring all compliances under GST Act. You may contact us via [www.labhyansh.com](http://www.labhyansh.com) or e-mail us at [contact@labhyansh.com](mailto:contact@labhyansh.com).

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