

GST: 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 -

Service Covered: Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient.

Service Provider: 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.

Service Recipient: Body Corporate located in the taxable territory.

Applicable from: 1st 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 |