

पत्र सं/0जी20-2019/0टी0एस0

1920064/

675

/वाणिज्य कर

कार्यालय-कमिश्नर, वाणिज्य कर,

उत्तर प्रदेश

(जी०एस०टी० अनुभाग)

लखनऊ::दिनांक 24 अक्टूबर, 2019

समस्त जोनल एडीशनल कमिश्नर ग्रेड-1,
एडीशनल कमिश्नर ग्रेड-2(वि०अनु०शा०),
ज्वाइन्ट कमिश्नर (कार्यपालक/वि०अनु०शा०),
वाणिज्य कर, उत्तर प्रदेश।

विषय:- शासन द्वारा विक्रेताओं को शराब लाईसेन्स शुल्क वसूली पर जी0एस0टी0 के सम्बन्ध में स्पष्टीकरण ।

भारत सरकार, वित्त मंत्रालय, राजस्व विभाग, सेन्ट्रल बोर्ड इन्डायरेक्ट टैक्सेस एण्ड कस्टम द्वारा शासन द्वारा विक्रेताओं को शराब लाईसेन्स शुल्क वसूली पर जी0एस0टी0 के सम्बन्ध में स्पष्टीकरण विषयक परिपत्र संख्या 121/40/2019-जी०एस०टी० दिनांक 11.10.2019 जारी किया गया है।

उक्त परिपत्र की छायाप्रति इस पत्र के साथ संलग्न कर इस अनुरोध के साथ प्रेषित है कि अपने अधीनस्थ अधिकारियों को अवगत कराते हुए अनुपालन कराना सुनिश्चित करें।

यह पत्र कमिश्नर, वाणिज्य कर, उत्तर प्रदेश के अनुमोदनोपरान्त जारी किया जा रहा है।

संलग्नक:-उपरोक्तानुसार।

भवदीय,

(अजीत कुमार शुक्ला)

एडीशनल कमिश्नर (विधि)

वाणिज्य कर, मुख्यालय ।

F. No. 354/136/2019-TRU
Government of India
Ministry of Finance
Department of Revenue
Tax research Unit

North Block, New Delhi,
Dated the 11th October, 2019

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/
Commissioner of Central Tax (All) / The Principal Director Generals/ Director Generals
(All)

Madam/Sir,

**Subject– GST on license fee charged by the States for grant of Liquor licences to vendors-
reg.**

Services proved by the Government to business entities including by way of grant of privileges, licences, mining rights, natural resources such as spectrum etc. against payment of consideration in the form of fee, royalty etc. are taxable under GST. Same was the position under Service Tax regime also with effect from 1st April, 2016. Tax is required to be paid by the business entities on such services under reverse charge.

2. GST Council in its 26th meeting held on 10.03.2018, recommended that GST was not leviable on license fee and application fee, by whatever name it is called, payable for alcoholic liquor for human consumption and that this would apply mutatis mutandis to the demand raised by Service Tax/Excise authorities on license fee for alcoholic liquor for human consumption in the pre-GST era, i.e. for the period from 01-04-2016 to 30-06-2017.

3. Grant of liquor licences by State Government against payment of consideration in the form of licence fee, application fee etc. was a taxable service under Service Tax, therefore to implement GST Council's recommendation, Central Government decided to exempt service provided or agreed to be provided by way of grant of liquor licence by the State Government, against consideration in the form of licence fee or application fee, by whatever name called, during the period from 01.04.2016 to 30.06.2017. Clause No. 117 of Finance (No. 2) Act, 2019 may be referred in this regard.

4. GST Council in its 37th meeting held on 20.09.2019 further recommended that the decision of the 26th GST Council meeting be implemented by notifying service by way of grant of alcoholic liquor licence, against consideration in the form of licence fee or application fee or

by whatever name it is called, by State Government as neither a supply of goods nor a supply of service. Therefore, in exercise of powers conferred under sub-section 2 (b) of section 7 of CGST Act, 2017, Notification No. 25/2019-Central Tax (Rate) dated 30th September, 2019 has been issued.

5. GST Council further decided in the 37th meeting held on 20.09.2019, to clarify that this special dispensation applies only to supply of service by way of grant of liquor licenses by the State Governments as an agreement between the Centre and States and has no applicability or precedence value in relation to grant of other licenses and privileges for a fee in other situations, where GST is payable.

6. Difficulty if any, in the implementation of this Circular may be brought to the notice of the Board.

Yours Faithfully,

(Shashikant Mehta)

OSD, TRU

Email: shashikant.mehta@gov.in

Tel: 011 2309 5547