



# Goods & Services Tax

## Educational Series

PD & PP : GST : 153/2017

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### **Circular No. 27/01/2018-GST**

Circular No. 27/01/2018 was released on January 4, 2018 which contains clarifications regarding levy of GST on accommodation services, betting and gambling in casinos, horse racing, admission to cinema, homestays, printing, legal services etc. Representations were received from trade and industry for clarification on certain issues regarding levy of GST on supply of services. The FAQs are as under:

S.No.	Questions/Clarifications Sought	Clarifications
1.	<ol style="list-style-type: none"><li>Will GST be charged on actual tariff or declared tariff for accommodation services?</li><li>What will be GST rate if cost goes up (more than declared tariff) owing to additional bed?</li><li>Where will the declared tariff be published?</li><li>Same room may have different tariff at different times depending on season or flow of tourists as per dynamic pricing. Which rate to be used then?</li><li>If tariff changes between booking and actual usage, which rate will be used?</li><li>GST at what rate would be levied if an upgrade is provided to the customer at a lower rate?</li></ol>	<ol style="list-style-type: none"><li>Declared or published tariff is relevant only for determination of the tax rate slab. GST will be payable on the actual amount charged (transaction value).</li><li>GST rate would be determined according to declared tariff for the room, and GST at the rate so determined would be levied on the entire amount charged from the customer. For example, if the declared tariff is Rs. 7000 per unit per day but the amount charged from the customer on account of extra bed is Rs. 8000, GST shall be charged at 18% on Rs. 8000.</li><li>Tariff declared anywhere, say on the websites through which business is being procured or printed on tariff card or displayed at the reception will be the declared tariff. In case different tariff is declared at different places, highest of such declared tariffs shall be the declared tariff for the purpose of levy of GST.</li><li>In case different tariff is declared for different seasons or periods of the year, the tariff declared for the season in which the service of accommodation is provided shall apply.</li><li>Declared tariff at the time of supply would apply.</li><li>If declared tariff of the accommodation provided by way of upgrade is Rs 10000, but amount charged is Rs 7000, then GST would be levied @ 28% on Rs 7000/-.</li></ol>

Source: <http://cbec.gov.in/resources//htdocs-cbec/gst/circularno-27-gst.pdf>

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