

**GIB/KN/OPTA CABS/27.07.2018/AAR-287**

**Advance Ruling Category :** Taxability

**State :** Karnataka

**Order No.:** GIB/KN/OPTA CABS/27.07.2018/AAR-287

**Name of Entry :**

Opta Cabs Private Limited

**Date :** 27-07-2018

**Breif Issue :**

**Issue And Facts Of The Case:**

Whether the money paid by the customer to the driver of the cab for the services of the trip is liable to GST and whether the applicant company is liable to pay GST on this amount?

The applicant states that he is in the business of Taxi Aggregation Service and Taxi Service. He states that the billing is done in the name of the Taxi Driver who provides the service for the particular trip and the taxi driver would collect the amount from the customer on the completion of the trip. The applicant shall not collect the amount on behalf of the taxi drive?

The taxi operators are proposed to be given a membership and monthly charges would be collected from them. For this usage of facilities, the applicant proposes to collect monthly usage charges from each of the taxi operator and undertakes to collect and pay goods and service tax on the same. For this usage of facilities, the applicant proposes to collect monthly usage charges from each of the taxi operator and undertakes to collect and pay goods and service tax on the same. The applicant proposes not to charge any commission or any other consideration other than the monthly usage charges from any of the taxi operators

He states that the applicant is not collecting any charges including trip commission, but only collects service charges for usage of IT services which he would have provided from his end the applicant seeks clarity on GST collection for him to implement their invoicing process of each trip

**Notification No.17/2017 – Central Tax (Rate) dated 28th June, 2017** notifies the services by way of transportation of passengers by a radio-taxi, motorcab, maxicab and motor cycle as the category of services, the tax on intra-State supplies on which shall be paid by the electronic commerce operator as per the provisions of sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017.

**Decision of Advance Ruling Authority :**

**Decision:**

The applicant is liable to tax on the amounts billed by him on behalf of the taxi operators for the

service provided in the nature of transportation of passengers through it, in accordance with the provisions of sub-section (5) of section 9 of the Central Goods and Services Tax Act 2017 read with Notification No. 17/2017 –Central Tax (Rate) dated 28.06.2017 and the provisions of sub-section (5) of section 9 of the Karnataka Goods and Services Tax Act 2017 read with Notification No. 17/2017 –State Tax (Rate) dated 28.06.2017.