

**GIB/WB/MOHANA/10.06.2019/AAR-233**

**Advance Ruling Category :** Input Tax Credit

**State :** West Bengal

**Order No.:** GIB/WB/MOHANA/10.06.2019/AAR-233

**Name of Entry :**

Mohana Ghosh

**Date :** 10-06-2019

**Breif Issue :**

**Issue & Fact of the Case:**

Whether GST paid on the purchase of motor vehicle for supplying rent-a-cab service is admissible or not?

The applicant supplies rent a cab service, as per **section 17(5)(a)** of the GST Act allows credit of input tax paid on the purchase of motor vehicle when used for supplying passenger transportation service. The 17(5)(a) of the Act provides that ITC shall not be available on inward supply of motor vehicle for transportation of persons having approved seating capacity of not more than 13 persons (including driver), however certain exceptions are there.

Renting of any motor vehicle is classified under SAC 9966 is taxable under Sl No. 10(i) of N/N 11/2017-CT(Rate) dated 28.06.2017.

The section 17(5)(b)(i) of the GST Act do not contain reference to the rent a cab service hence ITC not available in respect of renting or hiring of motor vehicle.

**Decision of Advance Ruling Authority :**

**Decision:**

GST paid on the purchase of the motor vehicles for supplying rent a cab service is not admissible for credit in terms of section 17(5)(b)(i) of the GST Act.