

Prescribe Integrated Tax rate on the leasing of motor vehicles.**Notification No: 38/2017-ITR****Classification: Rates****Date: 13-10-2017**

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the integrated tax on inter-State supplies of goods, the description of which is specified in column (3) of the Table below, falling under the tariff item, sub-heading, heading or Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), as the case may be, as specified in the corresponding entry in column (2), of the Table below, at the rate specified in corresponding entry in column (4) and subject to relevant conditions annexed to this notification, if any, specified in the corresponding entry in column (5) of the Table aforesaid:

TABLE

Sl. No.	Chapter, Heading, Sub-heading or Tariff item	Description of Goods	Rate	Condition No.
(1)	(2)	(3)	(4)	(5)
1.	87	Motor Vehicles	65% of integrated tax applicable otherwise on such goods under Notification No. 1/2017- Integrated Tax (Rate) dated, 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub Section (i), vide G.S.R. 666 (E) dated the 28 th June, 2017.	1
2.	87	Motor Vehicles	65% of integrated tax applicable otherwise on such goods under Notification No. 1/2017- Integrated Tax (Rate) dated, 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub Section (i), vide G.S.R. 666 (E) dated the 28 th June, 2017.	2

2. Provided that nothing contained in this notification shall apply on or after **1st July, 2020.**

Explanation –For the purposes of this notification, -

- i. “Tariff item”, “sub-heading” “heading” and “Chapter” shall mean respectively a tariff item, heading, sub-heading and Chapter as specified in the First Schedule to the Customs Tariff

Act, 1975 (51 of 1975).

- ii. The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

ANNEXURE

Condition No.	Condition
1.	The Motor Vehicles was purchased by the lesser prior to 1 st July, 2017 and supplied on lease before 1 st July, 2017
2.	1. The supplier of Motor Vehicle is a registered person. 2. Such supplier had purchased the Motor Vehicle prior to 1 st July, 2017 and has not availed input tax credit of central excise duty, Value Added Tax or any other taxes paid on such vehicles