

Applicability of GST on ambulance services provided to Government by private service providers under the National Health Mission (NHM)

Circular No: 51/25/2018-CT

F. No: 354/220/2018-TRU

Classification: Levy

Date: 31-07-2018

Subject: Applicability of GST on ambulance services provided to Government by private service providers under the National Health Mission (NHM) — Reg.

I am directed to invite your attention to the **Circular No. 210/2/2018- Service Tax, dated 30th May, 2018**. The said Circular has been issued in the context of service tax exemption contained in **notification No. 25/2012-Service Tax dated 20.06.2012** at Sl. No. 2 and 25(a). The Circular states, inter alia, that the service of transportation in ambulance provided by State Governments and private service providers (PSPs) to patients are exempt under **notification no 25/2012- Service Tax dated 20th June, 2012** and that ambulance service provided by PSPs to State Governments under National Health Mission is a service provided to Government by way of public health and hence exempted under **notification No. 25/2012-Service Tax dated 20.06.2012**.

2. The service tax exemption at Sl. No.2 of **notification No. 25/2012-Service Tax dated 20.06.2012** has been carried forward under GST in the identical form vide Sl. No. 74 of [**notification No. 12/2017- CT \(R\) dated 28.06.2017**](#). The service tax exemption at serial No. 25(a) of **notification No. 25/2012-Service Tax dated 20.06.2012** has also been substantially, although not in the same form, continued under GST vide Sl. No. 3 and 3A of the [**notification No. 12/2017- CT \(R\) dated 28.06.2017**](#). The said exemption entries under Service Tax and GST notification read as under.

Service Tax	GST
--------------------	------------

SIL No. 2

(i) health care services by a clinical establishment, an authorized medical establishment, practitioner, or para-medics;
(ii) Services provided by way transportation of a patient in an ambulance, other than those specified in (a) above.

SI. No. 25(a):

Services provided to the Government, a local authority, or a governmental authority by way of water supply, public health, sanitation, 1.Opt solid waste management, or slum improvement and up-gradation.

SL No. 74:**Services by way of-**

(a) health care services by a clinical establishment, an authorized medical establishment, practitioner or para-medics;
(b) Services provided by way transportation of a patient in an ambulance, other than those specified in (a) above

SI. No.3:

Pure services (excluding works contract authority or a governmental authority by service or other composite supplies way of water supply, public health, involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution.

SL No. 3A:

Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 percent. of the value of the said composite supply provided to the Central Government, State Government or Union Territory or local authority or a Government authority by way of any activity in relation to any function entrusted to a panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution.

3. Functions of 'Health and sanitation' is entrusted to Panchayats under Article 243G of the Constitution of India read with Eleventh Schedule. Function of 'Public health' is entrusted to Municipalities under Article 243W of the Constitution read with Twelfth schedule to the Constitution. Thus ambulance services are an activity in relation to the functions entrusted to Panchayats and Municipalities under Articles 243G and 243 W of the Constitution.

4. In view of the above, it is clarified that the clarification contained in the Circular No. 210/2/2018- Service Tax dated 30th May, 2018 with regard to the services provided by Government and PSPs by way of transportation of patients in an ambulance is applicable for the purpose of GST also, as the said services are specifically exempt under [notification No. 12/2017- Central Tax \(Rate\)](#) dated 28.06.2017 vide Si. No. 74.

5. As regards the service provided by PSPs to the State Governments by way of transportation of patients on behalf of the State Governments against consideration in the form of fee or otherwise charged from the State Government, it is clarified that the same would be exempt under-

- a. No. 3 of [notification No. 12/2017- Central Tax \(Rate\)](#) dated 28.06.2017 if it is a pure service and not a composite supply involving supply of any goods, and
 - b. No. 3A of [notification No. 12/2017- Central Tax \(Rate\)](#) dated 28.06.2017 if it is a composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply.
6. Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.