

F.No.332/04/2017-TRU
Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

Subject: FAQs on levy of GST on supply of services to the Co-operative society- reg

S. No.	Question	Answer
1.	<p>The society collects the following charges from the members on quarterly basis as follows:</p> <ol style="list-style-type: none"> 1. Property Tax-actual as per Municipal Corporation of Greater Mumbai (MCGM) 2. Water Tax- Municipal Corporation of Greater Mumbai (MCGM) 3. Non- Agricultural Tax- Maharashtra State Government 4. Electricity charges 5. Sinking Fund- mandatory under the Bye-laws of the Co-operative Societies 6. Repairs & maintenance fund 7. Car parking Charges 8. Non Occupancy Charges 9. Simple interest for late payment. <p>From the tax/ charge as listed above, on which GST is not applicable.</p>	<ol style="list-style-type: none"> 1. Services provided by the Central Government, State Government, Union territory or local authority to a person other than business entity, is exempted from GST. So, Property Tax, Water Tax, if collected by the RWA/Co-operative Society on behalf of the MCGM from individual flat owners, then GST is not leviable. 2. Similarly, GST is not leviable on Non Agricultural Tax, Electricity Charges etc, which are collected under other statutes from individual flat owners. However, if these charges are collected by the Society for generation of electricity by Society's generator or to provide drinking water facility or any other service, then such charges collected by the society are liable to GST. 3. Sinking fund, repairs & maintenance fund, car parking charges, Non- occupancy charges or simple interest for late payment, attract GST, as these charges are collected by the RWA/Co-operative Society for supply of services meant for its members.
2.	<p>As per guidelines on maintenance charges upto Rs. 5000/- no GST is applicable. Maintenance charges means only maintenance or collection of all charges</p>	<p>This is applicable to only the reimbursements of charges or share of up to an amount of five thousand rupees per month per member for sourcing of goods or services from a third person for the common use of its members. Here, charges mean the individual contributions made by members of the society to avail services or goods by the society from a third party for common use. [*Entry 77(c) of notification no 12/2017 Central Tax (Rate) dated 28.6.2017 refers]</p>
3.	<p>Monthly maintenance (all above charges) are below Rs.5000/-but yearly</p>	<p>Reimbursement of charges or share of contribution up to an amount of Rs. 5000/- per</p>

	total collection exceeds Rs. 20 lakhs limit whether GST is applicable	month per member for sourcing of goods or services <u>from a third person for the common use is not liable to GST</u> . However, if the Co-operative society/ RWAs provide specific services of its own to its members or to any third party (e.g. use of community hall for social function by a non-member) cumulatively exceeds the threshold limit as per GST, then GST is leviable on such supply of services.
4.	At present we are following quarterly billing-whether we should change to monthly billing in view of the monthly return to be filed under GST Rules.	It is individual business decision.

**[Service by an unincorporated body or a non-profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution – (a) as a trade union; (b) for the provision of carrying out any activity which is exempt from the levy of Goods and service Tax; or (c) up to an amount of five thousand rupees per month per member for sourcing of goods or services from a third person for the common use of its members in a housing society or a residential complex.]*

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