

## Rate of Construction and Works Contract Services Under GST

Under GST, since its implementation, the Services for rate notification 11/2017 has been amended four times. All the said notifications are amended with prospective effect. So, while taking the decision regarding Rate of the service, all the five notifications need to be referred as follows

1. 11-2017 Central Tax Rate Dated 28<sup>th</sup> June 2017
2. 20-2017 Central Tax Rate Dated 22<sup>nd</sup> August 2017
3. 24-2017 Central Tax Rate Dated 21<sup>st</sup> September 2017
4. 31-2017 Central Tax Rate Dated 13<sup>th</sup> October 2017
5. 46-2017 Central Tax Rate Dated 14<sup>th</sup> November 2017

Now, it has been tried to summarize all the above notification at one place so as to make it easy for reader to understand the rate provisions.

Notification No & Effective Date	Clause No in the notification	Description Of Services	Service Supplied TO	Effective Rate	Comments
11/2017 CT Rate Dated (w.e.f.) 28th June 2017	(i)	Construction of a complex, building, civil structure or a part thereof			- if <b>Entire Consideration</b> has been received After Completion Certificate issued, then on that portion of amount, GST is not leviable
	(i)	<b>WITHOUT INVOLVING TRANSFER OF PROPERTY IN LAND [when value doesn't include value of land]</b>	<b>Any one</b>	18	
	As per Para 2	<b>WITH INVOLVING TRANSFER OF PROPERTY IN LAND [when value includes value of land]</b>	<b>Any one</b>	12	
	(ii)	Composite supply of <b>works contract</b> as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017.	<b>Any one</b>	18	
20/2017 CT Rate Dated (w.e.f.) 22nd Aug 2017	(iii)	Composite Supply of Works Contract Provided to <b>Govt Etc</b> by way of <b>Construction, erection, Commission etc of.. #</b>			- Only if this services has been provided to govt, then 12 percent. In case of <b>Sub-contracting</b> or anything, Residual Entry will Trigger @ <b>18%</b>
	(iii)	(a) historical monument, archaeological site or remains of national importance etc	<b>To Govt etc</b>	12	
	(iii)	(b) canal, dam or other irrigation works	<b>To Govt etc</b>	12	
	(iii)	(c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal	<b>To Govt etc</b>	12	
20/2017 CT Rate Dated (w.e.f.) 22nd Aug 2017	(iv)	Composite Supply of Works Contract Provided to <b>Any One</b> by way of <b>Construction, erection, Commission etc of..</b>			- Even if this services provided other than Govt, <b>12% is applicable such as in case of Sub-Contracting</b> . The only thing is the condition
	(iv)	(a) a road, bridge, tunnel, or terminal for road transportation for <b>use by general public</b>	<b>To Anyone</b>	12	
	(iv)	(b) a civil structure or any other original works pertaining to a scheme under <b>Jawaharlal Nehru National Urban Renewal Mission or Rajiv Awaas Yojana</b> .	<b>To Anyone</b>	12	

	(iv)	(c) a civil structure or any other original works pertaining to the "In-situ rehabilitation of existing slum dwellers using land as a resource through private participation"...etc <b>only for existing slum dwellers</b>	<b>To Anyone</b>	12	mentioned in the each entry need to be fulfilled. For detailed study, pls refer said notification.
	(iv)	(d) a civil structure or any other original works pertaining to the " <b>Beneficiary led individual house construction / enhancement</b> " under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana	<b>To Anyone</b>	12	
	(iv)	(e) a pollution control or effluent treatment plant, except located as a part of a factory	<b>To Anyone</b>	12	
	(iv)	(f) a structure meant for <b>funeral, burial or cremation of deceased</b>	<b>To Anyone</b>	12	
<b>20/2017 CT Rate Dated (w.e.f.) 22nd Aug 2017</b>	(v)	Composite Supply of Works Contract Provided to <b>Any one</b> by way of <b>Construction, erection, Commission etc of ORIGINAL WORK</b> pertaining to..			- Even if this services provided other than Govt, <b>12% is applicable such as incase of Sub-Contracting</b> . The only thing is the condition mentioned in the each entry need to be fulfilled. For detailed study, pls refer said notification.
	(v)	(a) railways, excluding monorail and metro	<b>To Anyone</b>	12	
	(v)	(b) a single residential unit otherwise than as a part of a residential complex	<b>To Anyone</b>	12	
	(v)	(c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India	<b>To Anyone</b>	12	
	(v)	(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under Pradhan mantri Awas yojna or any scheme of State Govt	<b>To Anyone</b>	12	
	(v)	(e) post-harvest storage infrastructure for agricultural produce including a cold storage for such purposes	<b>To Anyone</b>	12	
	(v)	(f) mechanised food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages	<b>To Anyone</b>	12	
<b>24/2017 CT Rate Dated (w.e.f.) 21st Sept 2017</b>	(vi)	Composite Supply of Works Contract Provided to <b>Govt Etc</b> by way of <b>Construction, erection, Commission etc. of..#</b>			- Only if this services has been provided to govt, then 12 percent. Incase of <b>Sub-contracting</b> or anything, Residual Entry will Trigger @ <b>18%</b>
	(vi)	(a) a civil structure or any other original works meant predominantly for use <b>other than for commerce, Industry, or any other business or profession</b>	<b>To Govt etc</b>	12	
	(vi)	(b) a structure meant predominantly for use as <b>(i) an educational, (ii) a clinical, or(iii) an art or cultural establishment</b>	<b>To Govt etc</b>	12	

	(vi)	(c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in paragraph 3 of the Schedule III of the Central Goods and Services Tax Act, 2017	<b>To Govt etc</b>	12	
<b>31/2017 CT Rate Dated (w.e.f.) 13th Oct 2017</b>	(vii)	Composite Supply of Service involving predominantly 75% earth work..#	<b>To Govt etc</b>	5	Earth work should be more than 75%
	(viii)	Composite supply of works contract in respect of off shore works contract relating to oil and gas exploration etc	<b>To Anyone</b>	12	
	(ix)	Any other Construction Service	<b>To Anyone</b>	18	<b>Residual entry</b>

- **“To Govt Etc”** Covers Central Government, State Government, Union Territory, Local Authority, Government Authority or Government Entity.
- **#** - When the Services are provided to Government Entity, that Entity should have procured such work from Central or State Govt or Union Territory or Local Authority.
- **“Works Contract”** means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair maintenance, renovation, alteration or commissioning of any **immovable property** wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract.
- Where the Entire Consideration has been received after the issuance of completion certificate, the said service is outside the purview of GST.

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