

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA**

UNSTARRED QUESTION NO.3167

TO BE ANSWERED ON MONDAY, MARCH 20, 2023/PHALGUNA 29, 1944 (SAKA)

GST ON SERVICE CHARGE

3167. SHRI A.K.P. CHINRAJ:

Will the Minister of FINANCE be pleased to state:

- (a) whether restaurants are entitled to charge GST on service charge voluntarily paid by the customer and if so, the details thereof and the provision and the slab under which GST is charged; and
- (b) whether GST Council or the Government has given any permission to levy GST on service charge voluntarily paid by the customer and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): As per section 9 of the CGST Act, 2017, GST is levied on supply of goods or services on the value as determined under section 15 of the CGST Act, 2017. According to section 15 of the CGST Act, 2017, any amount charged by the supplier for anything done by the supplier in respect of supply of goods or services forms part of the value of service.

Supply of restaurant service other than at hotels/premises having room tariff above Rs 7500, is taxed at the rate of 5% without Input Tax Credit (ITC) and supply of restaurant service at hotels having room tariff above Rs 7500 per day is taxed at 18% with Input Tax Credit (ITC).
