

“Goods Transport Agency” or GTA means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.

Section 12(8) of IGST Act 2017, narrates the provision of place of supply in case services by way of transportation of goods:

1. In case where services are provided to a registered person, place of supply shall be the location of such person.
2. In case where services are provided to a unregistered person, place of supply shall be the location at which such goods are handed over for their transportation.

Section 5(3) of IGST Act 2017 & Sec. 9(3) of CGST Act 2017 narrates the applicability of RCM for prescribed list of services to have been notified by the Govt. GTA services have been notified by the Govt. to fall under RCM.

While determining the levy of tax under RCM for GTA services, the location of the service provider and location of the registered person receiving such services has to be considered. Refer to the example below for more clarity:

ABC Logistics (GTA Service Provider) of Maharashtra is providing GTA services to XYZ Ltd. (Service Recipient) of Telangana. POS in this case will be the location of the service recipient i.e. Telangana, hence IGST will be paid by XYZ Ltd. under RCM as per provision of Sec. 5(3) of IGST Act 2017.

Tax payable under RCM has to be disclosed in table 3.1 (d) of Form GSTR-3B.