

NO.F.1-11(8)-TAX/GST/2023 /1928 - 2007  
GOVERNMENT OF TRIPURA  
OFFICE OF THE CHIEF COMMISSIONER OF STATE TAX  
PANDIT NEHRU COMPLEX, GURKHABASTI  
AGARTALA, TRIPURA WEST, PIN-799006.

Dated, Agartala, the 2<sup>nd</sup> February, 2023.

**Circular No. 02/2023 – GST (State)**

To  
The Additional Commissioner of State Tax/  
Deputy Commissioner of State Tax/  
Assistant Commissioner of State Tax (All)  
Superintendent of State Tax (All)/  
Inspector of State Tax (All)

**Subject: Clarifications regarding applicability of GST on certain services – reg.**

Madam / Sir,

The Government of India, Ministry of Finance, Department of Revenue, Tax Research Unit vide Circular No. 190/02/2023–GST dated 13<sup>th</sup> January, 2023 has issued a Clarification regarding applicability of GST on certain services, in order to ensure uniformity in the implementation of the provisions of law across the field formations, which is annexed herewith.

In exercise of powers conferred by section 168 of the Tripura State Goods and Services Tax Act, 2017 (Tripura Act No. 9 of 2017) for the purpose of uniformity in the implementation of the Act it is instructed to follow the guidelines issued vide Circular No. 190/02/2023–GST dated 13<sup>th</sup> January, 2023 by the Government of India, Ministry of Finance, Department of Revenue, Tax Research Unit.

**Encl.:** Circular No. 190/02/2023 – GST.

  
(Rakhi Biswas, TCS-SSG)  
Chief Commissioner of State Tax  
Government of Tripura

**Copy to:**

1. The P.S. to the Secretary, Finance, Government of Tripura for favour of kind information to the Secretary, Finance.
2. The Assistant Statistical Officer, Statistical Section, O/o the Commissioner of Taxes & Excise, Agartala with request to upload the Circular in the Official website [www.tripurataxes.nic.in](http://www.tripurataxes.nic.in).
3. Guard File.

  
(Rakhi Biswas, TCS-SSG)  
Chief Commissioner of State Tax  
Government of Tripura

**F. No. CBIC-190354/316/2022-TRU Section-CBEC**

**Government of India  
Ministry of Finance  
Department of Revenue  
(Tax Research Unit)**

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North Block, New Delhi  
Dated the –13<sup>th</sup> January, 2023

**To,  
The Principal Chief Commissioners/ Chief Commissioners/ Principal  
Commissioners/ Commissioner of Central Tax (All) /The Principal Director Generals/  
Director Generals (All)**

**Subject: Clarifications regarding applicability of GST on certain services – reg.**

**Madam/Sir,**

Representations have been received seeking clarifications on the following issues:

1. Applicability of GST on accommodation services supplied by Air Force Mess to its personnel;
2. Applicability of GST on incentive paid by Ministry of Electronics and Information Technology (MeitY) to acquiring banks under Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions.

The above issues have been examined by GST Council in the 48<sup>th</sup> meeting held on 17<sup>th</sup> December, 2022. The issue -wise clarifications are given below:

**2. Applicability of GST on accommodation services supplied by Air Force Mess to its personnel:**

2.1 Reference has been received requesting for clarification on whether GST is payable on accommodation services supplied by Air Force Mess to its personnel.

2.2 All services supplied by Central Government, State Government, Union Territory or local authority to any person other than business entities (barring a few specified services such as services of postal department, transportation of goods and passengers etc.) are exempt from GST vide Sl. No. 6 of notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017. Therefore, as recommended by the GST Council, it is hereby clarified that accommodation services provided by Air Force Mess and other similar messes, such as, Army mess, Navy mess, Paramilitary and Police forces mess to their personnel or any person other than a business entity are covered by Sl. No. 6 of notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017 provided the services supplied by such messes qualify to be considered as services supplied by Central Government, State Government, Union Territory or local authority.

**3. Applicability of GST on incentive paid by MeitY to acquiring banks under Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions:**

3.1 Representations have been received requesting for clarification on whether GST is applicable on the incentive paid by MeitY to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions.

3.2 Under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions, the Government pays the acquiring banks an incentive as a percentage of value of RuPay Debit card transactions and low value BHIM-UPI transactions up to Rs.2000/-.

3.3 The Payments and Settlements Systems Act, 2007 prohibits banks and system providers from charging any amount from a person making or receiving a payment through RuPay Debit cards or BHIM-UPI.

3.4 The service supplied by the acquiring banks in the digital payment system in case of transactions through RuPay/BHIM UPI is the same as the service that they provide in case of transactions through any other card or mode of digital payment. The only difference is that the consideration for such services, instead of being paid by the merchant or the user of the card, is paid by the central government in the form of incentive. However, it is not a consideration paid by the central government for any service supplied by the acquiring bank to the Central Government. The incentive is in the nature of a subsidy directly linked to the price of the service and the same does not form part of the taxable value of the transaction in view of the provisions of section 2(31) and section 15 of the CGST Act, 2017.

3.5 As recommended by the Council, it is hereby clarified that incentives paid by MeitY to acquiring banks under the Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.

4. Difficulties, if any, in implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

(Anna Sosa Thomas)  
Technical Officer, TRU II  
Email: anna.thomas@gov.in