

From

Excise & Taxation Commissioner,  
Haryana, Panchkula.

To

All the Dy. Excise & Taxation Commissioner (ST),  
in the State of Haryana.

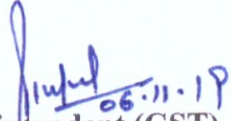
Memo No. 2902 /GST-2  
Panchkula, date the 02-11-19

**Subject: GST on license fee charged by the State for grant of Liquor Licences to vendors- Reg.**

**MEMORANDUM**

Please find enclosed herewith a copy of circular on the captioned subject.

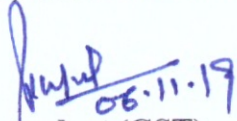
It is requested to bring this to the knowledge of all the officers working under your control for their information and necessary action.

  
Superintendent (GST)  
for Excise and Taxation Commissioner,  
Haryana

**Endst. No. 2903 /GST-2, Panchkula, dated the 02-11-19**

A copy of the Circular is forwarded to the following for information and necessary action:-

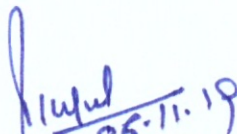
1. All the Jt. Excise & Taxation Commissioner (Division/Range) in the State of Haryana.
2. All the Jt. Excise & Taxation Commissioner (Appeals) in the State of Haryana.
3. PS/ ACSET.
4. PS/ETC.

  
Superintendent (GST)  
for Excise and Taxation Commissioner,  
Haryana

**Endst. No. 2904 /GST-2, Panchkula, dated the 02-11-19**

A copy of the Circular is forwarded to the following in the Head Office for information and necessary action:-

1. All the Addl. Excise & Taxation Commissioners.
2. All the Jt. Excise & Taxation Commissioners.
3. The Jt. Director (L) -I and II.
4. The Dy. Excise & Taxation Commissioners.
5. DA-I & II.
6. DDA-I & II.

  
Superintendent (GST)  
for Excise and Taxation Commissioner,  
Haryana

**HARYANA GOVERNMENT  
EXCISE AND TAXATION DEPARTMENT**

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**Subject: GST on license fee charged by the States for grant of Liquor licences to vendors-reg.**

Services provided by the Government to business entities including by way of grant of privileges, licences, mining rights, natural resources such as spectrum etc. against payment of consideration in the form of fee, royalty etc. are taxable under GST. Same was the position under Service Tax regime also with effect from 1<sup>st</sup> April, 2016. Tax is required to be paid by the business entities on such services under reverse charge.

2. GST Council in its 26<sup>th</sup> meeting held on 10.03.2018, recommended that GST was not leviable on license fee and application fee, by whatever name it is called, payable for alcoholic liquor for human consumption and that this would apply mutatis mutandis to the demand raised by Service Tax/Excise authorities on license fee for alcoholic liquor for human consumption in the pre-GST era, i.e. for the period from 01-04-2016 to 30-06-2017.

3. Grant of liquor licences by State Government against payment of consideration in the form of licence fee, application fee etc. was a taxable service under Service Tax, therefore to implement GST Council's recommendation, Central Government decided to exempt service provided or agreed to be provided by way of grant of liquor licence by the State Government, against consideration in the form of licence fee or application fee, by whatever name called, during the period from 01.04.2016 to 30.06.2017. Clause No. 117 of Finance (No. 2) Act, 2019 may be referred in this regard.

4. GST Council in its 37<sup>th</sup> meeting held on 20.09.2019 further recommended that the decision of the 26<sup>th</sup> GST Council meeting be implemented by notifying service by way of grant of alcoholic liquor licence, against consideration in the form of licence fee or application fee or by whatever name it is called, by State Government as neither a supply of goods nor a supply of service. Therefore, in exercise of powers conferred under sub-section 2 (b) of section 7 of HGST Act, 2017, Haryana Government, Excise and Taxation Department, notification No.92/GST-2, dated 01.10.2019 has been issued.

5. GST Council further decided in the 37<sup>th</sup> meeting held on 20.09.2019, to clarify that this special dispensation applies only to supply of service by way of grant of liquor licenses



by the State Governments as an agreement between the Centre and States and has no applicability or precedence value in relation to grant of other licenses and privileges for a fee in other situations, where GST is payable.

6. Difficulties faced, if any, in implementation of the above circular may please be brought to the notice of the Department.

Dated: 02.11.2019  
Panchkula

Amit Kumar Agrawal  
Excise & Taxation Commissioner-cum-  
Commissioner of State Tax, Haryana