



# Rajput Jain & Associates

## Chartered Accountant

### GST ON RESIDENTIAL DWELLING

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New Delhi / Faridkot / Mumbai /  
Noida / Varanasi

The logo consists of a dark blue square with a diagonal cut from the top-right corner. The letters 'RJA' are written in white, bold, sans-serif font within the square.

**RJA**

## **About us**

A blue geometric shape, resembling a parallelogram or a tilted rectangle, positioned to the right of the 'About us' header.

*Rajput Jain & Associate, Chartered Accountants, is one of the leading providers of financial and business advisory, internal audit, statutory audit, corporate governance, & international taxation and regulatory services. With a global approach to service delivery, we are responds to clients' complex business challenges with a broad range of services across industry sectors and national boundaries. The Firm has been set up by a group of energetic, open minded, highly skilled and motivated professionals who have gained experience from top consulting companies and are extensively experienced in their chosen fields has providing a wide array of Accounting, Auditing, Assurance, Risk, Taxation, & Business advisory services to various clients & their stake holders. We have been associated with various national & International recognized associations in the field of our profession; Association of International tax consultants (AITC) ssis one of them.*

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### GST on Residential Dwelling

As per sub-section (1) of section 11 of Central Goods and Services Tax Act, 2017, the services by way of renting of residential dwelling for use as residence (under Heading 9963 or Heading 9972) were **exempt under GST**.

#### With Effect From 18.7.2022.

The Central Government has issued a Notification (04/2022- Central Tax (Rate) dated 13.7.2022, amending the Notification 12/2017 dated 28.6.2017, against "Serial number 12 in column (3)" after the words "as residence", the words, "except where the residential dwelling is rented to registered person" shall be inserted.

Sr. No	HSN/SAC	Description of Services	Rate	Conditions
12	Heading 9963 or Heading 9972	Services by way of renting of residential dwelling for use as residence <b>except where the residential dwelling is rented to registered person</b>	Nil	Nil

Further, Notification (05/2022- Central Tax (Rate) dated 13.7.2022), states that the services by way renting of residential dwelling for use as residence to be covered under **Reverse Charge Mechanism (RCM) at the rate of 18% under entry SAA**.

"Services by way of renting of residential dwelling to a GST registered person for either **residential or commercial purpose**, shall attract GST and is to be paid under RCM in the hands of the GST Registered person who is the recipient of such services."

SI No.	Category of Supply of Service	Supplier of services	Recipient of services
SAA	Services by way of renting of residential dwelling to a registered person	Any person	Any registered person

The below tables clearly show analysis of the above notification:

#### Scenario-1:

When residential property is rented out for Residential purpose by Registered supplier			
Applicability	To unregistered recipient	To registered recipient	
Taxability	Exempt under GST	Upto 17.07.2022	W.e.f. from 18.07.2022
		Exempt under GST	GST @ 18% under RCM
ITC	NA	NA	ITC can be claimed by recipient
Notification No	NN-12/2017	NN-12/2017	NN-04/2022 NN-05/2022

**Scenario-2:**

When residential property is rented out for Residential purpose by Unregistered supplier			
Applicability	To unregistered recipient	To registered recipient	
Taxability	NA	Upto 17.07.2022	W.e.f. from 18.07.2022
		Exempt under GST	GST @ 18% under RCM
ITC	NA	NA	ITC can be claimed by recipient
Notification No	NA	NN-12/2017	NN-04/2022 NN-05/2022

**Scenario-3:**

When residential property is rented out for Commercial purpose by Registered supplier			
Applicability	To unregistered recipient	To registered recipient	
Taxability	Forward charge @ 18%	Upto 17.07.2022	W.e.f. from 18.07.2022
		Forward charge @ 18%	GST @ 18% under RCM
ITC	ITC can be claimed	ITC can be claimed	ITC can be claimed by recipient
Notification No	NN-12/2017	NN-12/2017	NN-04/2022 NN-05/2022

**Scenario-4:**

When residential property is rented out for Commercial purpose by Unregistered supplier			
Applicability	To unregistered recipient	To registered recipient	
Taxability	NA	Upto 17.07.2022	W.e.f. from 18.07.2022
		NA	GST @ 18% under RCM
ITC	NA	NA	ITC can be claimed by recipient
Notification No	NA	NA	NN-04/2022 NN-05/2022



# Renting of Residential Dwelling and RCM

With Effect from 18-07-2022

Sr No	Supplier of Service	Recipient of Service	Purpose of use of residential dwelling	Whether Taxable	Who is liable to pay	Input tax credit admissibility
1	Registered taxable person	Registered taxable person	Residence	Yes	Recipient of services under RCM	Normally no, as residential dwelling is used as residence.
2	Registered taxable person	Unregistered taxable person	Residence	No, it is exempted under exemption notification	NA	NA
3	Unregistered	Registered taxable person	Residence	Yes	Recipient of service	Normally no, as residential

	taxable person				s under RCM	l dwelling is used as residence.
4	Unregistered taxable person	Unregistered taxable person	Residence	No, it is exempted under exemption notification	NA	NA
5	Registered taxable person	Registered taxable person	Other than residence	Yes	Recipient of service under RCM	Normally Yes (as used for business purpose)
6	Registered taxable person	Unregistered taxable person	Other than residence	Yes	Supplier of service	No as the recipient is unregistered

7	Unregistered taxable person	Registered taxable person	Other than residence	Yes	Recipient of services under RCM	Normally Yes (as used for business purpose)
8	Unregistered taxable person	Unregistered taxable person	Other than residence	Yes (but subject to threshold limit)	NA	NA

# Contact Us

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