



The Central Government: There is no change made in any subject relating to education in the GST era, except to reduce tax rate on certain items of education such as school bags etc.; Denies the reports that education will become expensive under GST; Rather services provided by an educational institution to students, faculty and staff are exempt.

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The Central Government denies all such reports that education will become expensive under GST. It states that such reports are completely unsubstantiated. In fact, there is no change made in any subject relating to education in the GST era, except to reduce tax rate on certain items of education such as school bags etc.

It may be mentioned that services provided by an educational institution to students, faculty and staff are exempt:

- (i) pre-school education and education up to higher secondary school or equivalent;
- (ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
- (iii) education as a part of an approved vocational education course.

Transportation of students, faculty and staff services provided to an educational institution (providing pre-school education and education up to higher secondary school or equivalent) are exempt from GST. Similarly, catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory, to an educational institution providing education upto higher secondary school or equivalent, are also exempt from GST. Further, security or cleaning or housekeeping services performed in such educational institutions are also exempt from GST. Finally, services relating to admission to, or conducting of examination by, such institutions, upto higher secondary, too are exempt from GST.

Thus, education up to Higher Secondary School level does not suffer GST on output services and also on most of the important input services. Some of the input services like transport, canteen etc. provided by private players to educational institutions were subject to service tax in pre-GST era and the same is continued in GST regime.

Furthermore, services by an entity registered under section 12AA of the Income-tax Act by way of charitable activities relating to advancement of educational programmes or skill development for

- (a) abandoned, orphaned or homeless children
 - (b) physically or mentally abused and traumatized persons
 - (c) prisoners
 - (d) persons over the age of 65 years residing in a rural area
- are also exempt from GST.

Hence, there has been no change in taxability of educational and other services on account of GST.

DSM/KA

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