

Law and Provisions under UTGST

CHAPTER III - LEVY AND COLLECTION OF TAX

3.1 Levy and collection [Section 7]

7(1)	01.07.2017 to till date	Subject to the provisions of sub-section (2), there shall be levied a tax called the Union territory tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding twenty per cent., as may be notified by the Central Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.
7(2)	01.07.2017 to till date	The Union territory tax on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified by the Central Government on the recommendations of the Council.
7(3)	01.07.2017 to till date	The Central Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.
7(4)	01.07.2017 to 31.01.2019	The Union territory tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.
	01.02.2019 to till date	¹ [The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.]
		1 Substituted w.e.f. 01.02.2019 vide section 2 of the Union Territory Goods and Services Tax (Amendment) Act, 2018

		(33 of 2018) which came into force vide Notification No. 1/2019 - Union Territory Tax Dated 29th January, 2019.
7(5)	01.07.2017 to till date	The Central Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:
Proviso	01.07.2017 to till date	Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:
Proviso	01.07.2017 to till date	Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

3.2.1.1 Departmental Notifications — Levy and collection of Tax - Section 7

1. **UTGST Rate Schedule for Goods.**—[Notification No. 1/2017-Union Territory Tax \(Rate\), dated 28-6-2017](#)- as [amended from time to time](#).
2. **UTGST rates on the intra-State supply of services.** [Notification No. 11/2017-Central Tax \(Rate\), dated 28-6-2017](#)- as [amended from time to time](#).
2. The Central Government has issued many Notifications in pursuance of the provisions of Section 7(3) of the UTGST Act 2017 from time to time, These Notifications are just a click away to be viewed – [Notifications issued in pursuance of Section 7\(3\) of the UTGST Act 2017](#).
3. The Central Government has issued many Notifications in pursuance of the provisions of Section 7(4) of the UTGST Act 2017 from time to time, These Notifications are just a click away to be viewed – [Notifications issued in pursuance of Section 7\(4\) of the UTGST Act 2017](#).
4. The Central Government has issued many Notifications in pursuance of the provisions of Section 7(5) of the UTGST Act 2017 from time to time, These Notifications are just a click away to be viewed – [Notifications issued in pursuance of Section 7\(5\) of the UTGST Act 2017](#).

3.2 Power to grant exemption from tax [Section 8]

8(1)	01.07.2017 to till date	Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.
8(2)	01.07.2017 to till date	Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.
8(3)	01.07.2017 to till date	The Central Government may, if it considers necessary or expedient so to do for the purpose of clarifying the scope or applicability of any notification issued under sub-section (1) or order issued under sub-section (2), insert an explanation in such notification or order, as the case may be, by notification at any time within one year of issue of the notification under sub-section (1) or order under sub-section (2), and every such explanation shall have effect as if it had always been the part of the first such notification or order, as the case may be.
8(4)	01.07.2017 to till date	Any notification issued by the Central Government under sub-section (1) of section 11 or order issued under sub-section (2) of the said section of the Central Goods and Services Tax Act shall be deemed to be a notification or, as the case may be, an order issued under this Act.
Explanation	01.07.2017 to till date	For the purposes of this section, where an exemption in respect of any goods or services or both from the whole or part of the tax leviable thereon has been granted absolutely, the registered person supplying such goods or services or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.

3.2.1.1 Departmental Notifications – EXEMPTION / CONCESSIONAL RATE NOTIFICATIONS FOR GOODS – Section 8

- 1. Exemption to specified goods of Chapter 1 to 98 from UTGST - Nil rated goods.—**
[Notification No. 2/2017-Union Territory Tax \(Rate\), dated 28-6-2017](#) as amended from time to time.
- 2. Exemption from the UTGST on the intra-State supply of services -** [Notification No.](#)

[12/2017- Union Territory Tax \(Rate\)](#) as [amended from time to time](#).

2. **Concessional rate of CGST/IGST/UTGST for supplies of goods required in connection with specified petroleum operations under taken under petroleum exploration licenses or mining leases or specified contracts or specified contracts under various policies—[Notification No. 3/2017-Union Territory Tax \(Rate\), dated 28-6-2017](#).**
3. **Refund of 50% of CGST/IGST/UTGST on all inward supplies of goods received by Canteen Stores Department (CSD) for the purposes of subsequent supply of such goods to the Unit Run Canteens of the CSD or to the authorized customers of the CSD.—[Notification No. 6/2017-Union Territory Tax \(Rate\), dated 28-6-2017](#).**
4. **Exemption to Supplies of Goods by Canteen Stores Department (CSD) to Unit Run Canteens and Supplies of Goods by CSD/Unit Run Canteens to authorized customers. —[Notification No. 7/2017-Union Territory Tax \(Rate\), dated 28-6-2017](#).**
5. **Exemption to intra-State supplies of goods or services or both received by a deductor under section 51, from any supplier, who is not registered.—[Notification No. 9/2017-Union Territory Tax \(Rate\), dated 28-6-2017](#).**
6. **Exemption to intra-State supplies of second hand goods received by a registered person, dealing in buying and selling of second hand goods and who pays the central tax on the value of outward supply of such second hand goods as determined under sub-rule (5) of rule 32 of the CGST Rules 2017, from any supplier, who is not registered, from the whole of the Union territory tax leviable thereon under sub-section (4) of section 7 of the Union Territory Good and Services Tax Act, 2017 (14 of 2017).—[Notification No. 10/2017-Union Territory Tax \(Rate\), dated 28-6-2017](#).**
7. **Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution undertaken by the Central Government or State Government or any local authority in which they are engaged as public authority shall be treated neither as a supply of goods nor as a supply of services.—[Notification No. 14/2017-Union Territory Tax \(Rate\), dated 28-6-2017](#).**
8. **United Nations or a specified international organisation and Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein, entitled to claim a refund of taxes paid on supplies of goods or services or both received by them.—[Notification No. 16/2017-Union Territory Tax \(Rate\), dated 28-6-2017](#).**
9. **Exemption on supply of heavy water and nuclear fuels falling in Chapter 28 of**

- the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) by the Department of Atomic Energy to the Nuclear Power Corporation of India Ltd - [Notification No. 26/2017- Union Territory Tax \(Rate\) dated 21st September, 2017.](#)
10. **Concessional rate of Tax till 30.06.2020 on Leasing of Motor Vehicles before 1st July 2017 where the supplier of Motor Vehicle is a registered person and Such supplier (the lesser) had purchased the Motor Vehicle prior to 1st July, 2017 and has not availed input tax credit of central excise duty, Value Tax or any other taxes paid on such vehicles - [Notification No. 37/2017- Union Territory Tax \(Rate\) dated 13th October, 2017](#)**
 11. **Concessional rate of Tax on supplies of Food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government. - [Notification No. 39/2017-Union Territory Tax \(Rate\) dated 18th October, 2017.](#)**
 12. **Exemption to intra-State/inter-State supply of taxable goods by a registered supplier to a registered recipient for export from so much of the tax leviable in excess of the amount calculated at the rate of 0.05 per cent.— [Notification No. 40/2017-Union Territory Tax \(Rate\), dated 23-10-2017](#)**
 13. **Exemption on supply of Scientific and technical instruments, apparatus, equipment, accessories, parts, consumables and live animals, computer software, Compact Disc-Read Only Memory (CD-ROM), recorded magnetic tapes, microfilms, microfiches and Prototypes etc. to certain institutions for experimental and research purposes.—[Notification No. 45/2017-Union Territory Tax \(Rate\), dated 14-11-2017.](#) Please note that the Central Government, on the recommendations of the Council, has rescinded these notifications vide [Notification No. 11/2022-Union Territory Tax \(Rate\) dated 13.07.2022 to](#) withdraw the exemption.**
 14. **Concessional rate of Tax on supplies of Old and used motor vehicles on the value that represent margin of the supplier, on supply of such goods. - [Notification No. 8/2018 - Union Territory Tax \(Rate\) dated 25th January, 2018.](#)**
 15. **Concessional rate of Tax on specified “handicraft goods” predominantly made by hand even though some tools or machinery may also have been used in the process; such goods are graced with visual appeal in the nature of ornamentation or in-lay work or some similar work of a substantial nature; possess distinctive features, which can be aesthetic, artistic, ethnic or culturally attached and are amply different from mechanically produced**

- goods of similar utility. - [Notification No. 21/2018 -Union Territory Tax \(Rate\) dated 26th July, 2018.](#)
16. Exemption on supply of gold in heading 7108 when supplied by Nominated Agency under the scheme for "Export against Supply by Nominated Agency" as referred to in paragraph 4.41 of the Foreign Trade Policy to a registered person. - [Notification No. 26/2018- Union Territory Tax \(Rate\) dated 31st December, 2018.](#)
 17. New Composition Scheme for intra-State supply of goods or services or both - First supplies of goods or services or both upto an aggregate turnover of fifty lakh rupees made on or after the 1st day of April in any financial year, by a registered person subject to the specified conditions - [Notification No. 2/2019- Union Territory Tax \(Rate\), dated 7-3-2019.](#)
 18. Refund of applicable Tax to retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, paid on inward supply of such goods. —[Notification No. 11/2019-Union Territory Tax \(Rate\), dated 29-6-2019.](#)
 19. Exemption of goods supplied to Food and Agricultural Organisation (FAO) of the United Nations for execution of specified projects. —[Notification No. 19/2019- Union Territory Tax \(Rate\), dated 30-9-2019.](#)
 20. 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 shall be treated neither as supply of goods nor as supply of services.—[Notification No. 25/2019-Union Territory Tax \(Rate\), dated 30-9-2019.](#)
 21. Exemption on specified Covid-19 relief supplies up to and inclusive of the 30th September, 2021. - [Notification No. 05/2021-Union Territory Tax \(Rate\) dated 14th June, 2021.](#)
 22. Exemption on specified medicines used in COVID-19, up to 31st December, 2021 - [Notification No. 12/2021-Union territory Tax \(Rate\) dated 30th September, 2021](#)
 23. Concessional rate on intra state supply of Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks subject to credit of input tax charged on goods or services used exclusively in supplying such goods has **not been taken**; – Exemption on the intra-state supplies of goods from so much of the central tax leviable thereon under section 7 of the Union Territory Goods and Services Tax Act, 2017 (14 of 2017) as is in excess of the amount calculated at the rate of 3%. [Notification No. 02/2022-Union Territory Tax \(Rate\) dated 31st March, 2022](#)

24. **Concessional rate on intra state supply of Bricks of fossil meals or similar siliceous earths, Building bricks and Earthen or roofing tiles subject to credit of input tax charged on goods or services used exclusively in supplying such goods has not been taken;** – Exemption on the intra-state supplies of goods from so much of the central tax leviable thereon under section 7 of the Union Territory Goods and Services Tax Act, 2017 (14 of 2017) as is in excess of the amount calculated at the rate of 3%. [Notification No. 02/2022-Union Territory Tax \(Rate\) dated 31st March, 2022](#)

3.2.1.2 Departmental Notifications – EXEMPTION / CONCESSIONAL RATE NOTIFICATIONS FOR GOODS – Section 8(3)

The Central Government has issued many Notifications in pursuance of the provisions of Section 8(3) of the UTGST Act 2017 from time to time, These Notifications are just a click away to be viewed – [Notifications issued in pursuance of Section 8\(3\) of the UTGST Act 2017.](#)