

Deepak Thakkar & Ronak Thakkar

Query: Motor car resold after use for some years, how to comply with GST Laws by a Motor car dealer or any other GST Regd Person? Reply: Motor Cars for physically handicapped people (subject to specific terms and conditions) & Baby carriages are liable to GST @ 18%. 28% GST is applicable on Motor cars and other motor vehicles (petrol or diesel) for conveyance of people, including racing cars and station wagons irrespective of size. Levy of additional tax called as “compensation cess” differs based on key factors such as the size of the car’s engine and the length of the car, in line with the Motor Vehicle Act, 1988. Compensation cess is a type of charge levied on certain goods in addition to the applicable GST and it was introduced as part of the GST Act. Compensation cess, as the name suggests, is designed to compensate producer (manufacturing) states for possible revenue losses un.....