

Impact of GST on Tourism Sector

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Tourism Industry World Over:

Tourism represents world's third largest export avenue in terms of global earnings after fuel and chemicals according to a representative from the UN World Tourism Organization (UNWTO). Tourism is responsible for one out of 11 jobs and 10% of the world's economic output.

In addition, tourism's value-added to an economy can also be increased by attracting a more diverse mix of tourist arrivals, using e-commerce to broaden the reach of local tourism businesses, and broadening the offer to include cultural, wildlife, and heritage tourism.

Tourism Industry in India

The travel and tourism sector holds great strategic importance in the Indian economy providing several socio-economic benefits. Apart from providing employment, income and foreign exchange for the country, the trade in the tourism sector has an economically positive impact on other associated industries such as food manufacturing, services, construction, agriculture, handicrafts etc. In addition, investments in infrastructural facilities such as transportation, accommodation and other tourism related services lead to an overall development of infrastructure in the economy.

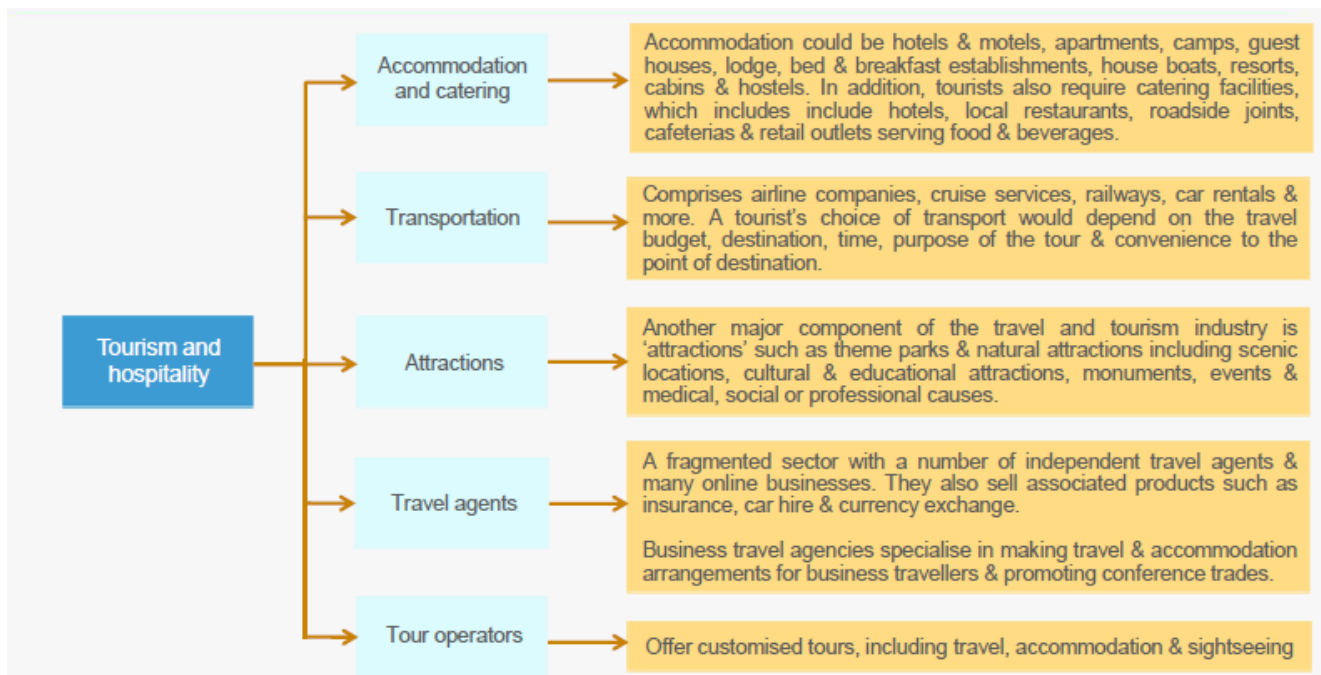
Despite that the Tourism Sector, including Inbound Tourism pay a plethora of taxes and do not get any significant benefits as compared to other Export sectors. There are multiple taxes charged on the same Service/ Product offering by the Central as well as State Governments. It is an understanding that the Taxes levied on Inbound Tourism is amongst the highest in the country, and this is one of the major reasons for India losing Foreign Tourists to competing South East Asian Countries. Tourism sector in some of the key competing destinations in South Asian countries attract much lesser taxes thereby making the products more competitive.

Significance of tourism industry in India

- India ranked 3rd among 184 countries in terms of travel and tourism's total contribution to GDP in 2016. In India, the sector's direct contribution to GDP is expected to grow by 7.9 per cent per annum during 2016–26
- The travel and tourism sector in India is estimated to account for 9 per cent of the total employment opportunities generated in the country in 2016, providing employment to around 38.4 million people during the same year. The number is expected to rise by 2 per cent per annum to 46.42 million jobs by 2026
- Travel & tourism's contribution to capital investment is projected to grow at 6.3 per cent per annum during 2016–26, higher than the global average of 4.5 per cent

- Contribution of visitor exports to total exports is estimated to increase at 7.2 per cent per annum during 2016–2026 compared to the world average of 4.3 per cent
- 100 per cent FDI is allowed under the automatic route in tourism & hospitality, subject to applicable regulations and laws. 100 per cent FDI allowed in tourism construction projects, including the development of hotels, resorts and recreational facilities. Campaigns such as Incredible India & Atithi Devo Bhava were launched to harness the tourism industry's potential
- Foreign exchange earnings from tourism accounted for USD21.1 billion in 2015, witnessing growth at a CAGR of 10.5 per cent during 2006–15

Segments of Tourism & Hospitality Industry



(Source: IBEF Presentation on tourism industry)

Key Issues facing the Tourism Sector on various fronts are as under:

- High Multitude and Incidence of Taxes on account of taxation at multiple levels and absence of seamless input credit flow.
- Lot of business in this sector gets generated through online mediums. Significant amount of clarity is required in the existing laws to deal with e-commerce players and aggregators.
- Lack of Proper Infrastructure in terms of access, connectivity and services and many unorganised players in the industry.
- Non-availability of skilled & Semi skilled man power required for the industry to attract foreign tourist as well as promote local tourism specially Eco Tourism & Rural Tourism which lacks professional approach towards service and customer satisfaction
- Lack of Marketing, Branding & Promotion efforts for the rural, cultural and Eco friendly remote locations and their conservations

Current Business Models followed in tourism sector

Model 1:- Total Tour Package

Here total booking is done by the tour operator and the total fees charged shall include his margin. So the Tour Operator become service provider and in turn he receives services from various other counterparts like Airline Companies, Hotel, Local Taxi Operators, Restaurants, Embassy issuing visas etc.

Model 2:- Front end commission for tour related services

Here all the bookings are done directly by the person travelling. The tour operator only facilitates the transaction and helps traveller to identify various suppliers as per their requirements and arrange for its booking. Payment flow goes straight away from actual traveller to end service provider and tour operator only charges for its service portion from traveller. It is getting popularity since it can give customised package as per the traveller’s requirement with the reduced cost.

Model 3:- Back end Commission

Here Tour operator does not charge any fees from the customer. He only facilitates the transaction and help traveller to identify various suppliers as per their requirements and arrange for its bookings. In turn the ultimate supplier pays commission for promotion and generating sales for them. It is mainly used in Hotel Booking & Flight Booking.

Model 4:- Block Purchase & Sell

Here there are parties who take bulk booking from the existing end suppliers like flight operators, hotels, for time being at very low cost and then sell to the tour operator or corporate clients or others. They are working as intermediary only dealing in specific segment of the tourism industry like Oyo Room.

Model 5:- Travel Aggregator

Here company provides platform to various end suppliers to showcase their listing and in turn it charges commission from them, along with nominal fees from the customer on their booking so it is two-side revenue model for the aggregator in certain cases. (Eg: Go ibibo, Trivago etc.)

Services Covered under Tourism and Applicable taxes thereon:

List of Suppliers associated with the tourism industry & their current taxation:

Service Tax	VAT	Customs and Excise	Other Taxes
- Room Rentals - Restaurant Services - Banquet Services - Convention Services	- Sale of Food and Beverages in Restaurants - Sale of food under Banquet arrangements	- Customs duty payable on import of capital goods, motor cars etc. - Central Excise on manufacture of	- Luxury Tax on room rentals - Entertainment Tax on casinos, discos, videos

- Rent a Cab Services	- Sale of goods from retail shops	- Bakery products	- State Entry Taxes
- Dry Cleaning Services	- In room sale of food (such as in room dining, mini bar etc.)	- State Excise on Alcohol	- Permit Taxes
- Health Club / SPA / Beauty Parlour Services	- Alcohol		- Road Tolls
- Internet Services			- Motor Vehicle Tax
- Money Changing Services			- UDF & PSF at the Airports
- Air and Train Tickets			

Taxability in Current Tax Structure (Rate Applicability & Conditions)

Sr. No.	Particulars	Service Tax Applicability	Gujarat Vat Applicability	Other Taxes Applicability	Remarks
1	Room Rental	9% (40% Abatement)	Not Applicable	Luxury Tax Applicable	No Service Tax if tariff for room per day is less than Rs. 1,000/- Abatement only if No Cenvat Credit on Input & Capital Goods
2	Restaurant Services	6% (60% Abatement)	Vat at full rate or composition scheme with No Vat Credit	Not Applicable	No Service Tax if Non-AC Restaurant is Serving Food or on Take Away. Abatement only if No Cenvat Credit on Input & Capital Goods
3	Exhibition Services	15%	Not Applicable	Not Applicable	No Service Tax if place of Exhibition is out of India
4	Rent a Cab Services	6% (60% Abatement)	Not Applicable	Not Applicable	Abatement only if No Cenvat Credit on Input, Input Service & Capital Goods taken
5	Air Tickets	6% (60% Abatement in case of Economy Class) 9% (40% Abatement in case of Other Class)	Not Applicable	Not Applicable	No Service Tax if journey started or terminated in the state of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura or Bagdogra in West Bengal. Abatement only if No Cenvat Credit on Input & Capital Goods
6	Train Tickets	4.5% (70% abatement)	Not Applicable	Not Applicable	Abatement only if No Cenvat Credit of Input,

					Capital Goods if abated rate is charged
7	Bundle Services by Hotel, Resorts	10.5% (30% abatement)	Vat at full rate or composition scheme with No Vat Credit	Luxury Tax Applicable	Abatement only if No Cenvat Credit of Inputs under excise chapter 1 to 22 of CETA,1985
8	Money changing Services	Slab wise Service Tax	Not Applicable	Not Applicable	
9	Cruise & Ship Transportation Services	15%	Not Applicable	Not Applicable	
10	Entertainment Parks & Sports Activity	15%	Not Applicable	Entertainment Tax Applicable in specified cases	No service tax in case the entry fee is less than Rs. 500
11	Entry Fees to Monuments, Public Place, Shows & Sight Seeing Places	15%	Not Applicable	Entertainment Tax in certain category	No Service Tax for entry to Museum, National Park, Wild Life Sanctuary, Tiger Reserve, Zoo, Circus, Dance Club, Drama, Cinema Hall or Theatre
12	Retail Packed Food & Beverages Sell	Not Applicable	Vat Applicable at 5% or 15% as per product classification	Not Applicable	
13	Visa Services	15%	Not Applicable	Not Applicable	No Service Tax on Fees by embassy only on service charges of agent
14	State Transport Services	15% (In case of AC Service)	Not Applicable	Not Applicable	No Service Tax if Non-AC Vehicle
15	Tour Operator	9% (40% abatement)	Not Applicable	Not Applicable	No Service Tax in case service is provided to foreign tourist for tour conducted wholly outside India Abatement only if No Cenvat Credit of Input, Capital Goods taken. Abatement only if cost of tickets, accommodation is also included along with the tour operator charges

Business model current taxability and Credit Eligibility

Sr. No.	Business Model	Tax Charged	Rate of Tax	Credit Available or not	Input Credit in the hand of Customer
1	Model – 1 – Total Tour Package - Taxability & Credit Eligibility of Tour Operator	Service Tax	9.00%	Cenvat Credit of Input Service Only	Available only if used for providing output service.
	- Taxability & Credit Eligibility of End Service Provider a) Restaurant b) Hotel c) Air Line Company d) Resort – Bundled Service e) Rent A Cab Service	Service Tax & VAT	6.00% & Local Rate	Cenvat Credit of Input Service only	Available only if used for providing output service
		Service Tax & Luxury Tax	9% & As per Local Tax Rate	Cenvat Credit of Input Service only	Available only if used for providing output service
		Service Tax	6% or 9%	Cenvat Credit of Input Service only	Available only if used for providing output service
		Service Tax, Luxury Tax & VAT	10.5% & Local Rate	Cenvat Credit of Capital Goods & Input Service only	Available only if used for providing output service
		Service Tax	6%	Cenvat Credit of Rent a Cab only allowed	No Credit Available
2	Model – 2 (Front End Commission) & Model – 3 (Back End Commission) - Taxability & Credit Eligibility of Travel Agent	Service Tax	15.00%	Cenvat Credit of all Input Service used for providing	Available only if used for providing output service

				output Services	
	- Taxability & Credit Eligibility of End Service Provider	Same as Model - 1			
3	Model – 4 (Block Purchase) & Model – 5 (Aggregator) - Taxability & Credit Eligibility of Block Purchaser or Aggregator	Service Tax	15%	Cenvat Credit of all Input Service used for providing output Services	Available only if used for providing output service than eligible.
	- Taxability & Credit Eligibility of End Service Provider	Same as Model - 1			

Major issues in Present Tax system

- Taxation of service offerings at multiple levels in the Tour Package. This leads to overall taxation to this sector In the range of 20-27% considering a loss of Input Tax credit of various taxes, like excise duties, import duties, luxury tax, entertainment tax etc.
- Differential taxes across states which vary frequently in terms of Luxury Taxes and Local Vat.
- Very confusing abatement patterns to derive the taxable component of the services and that too changing very often
- High State Entry/Road Tax on commercial vehicles in certain states, which is a burden on the Foreign Tourists.
- Many Small Player in the industry so Tax chain break at many level resulting into higher tax credit loss to players
- No cenvat credit available for the infrastructure development which is huge cost to the Industry and resulting into higher costing

Taxability under GST

According to the CGST Law which neither contains the exemptions nor the rates of taxation, it appears that most of the services in relation to Tourism would be subject to levy of GST as the same is to be treated as 'supply'. Since taxable event is supply, it is necessary to understand certain terms like Location of Supplier of Service, Location of Recipient of Service and Place of Supply. Tourism industry supplies bundle of services and hence definition of Composite Supply and Mixed supply also needs to be understood.

Key Terms under GST affecting Tourism Industry

Location of Supplier of Services

As per Section 2(71) of CGST Law, 'location of the supplier of services' means,—

(a) where a supply is made from a place of business for which the registration has been obtained, the location of such place of business;

(b) where a supply is made from a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;

(c) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provisions of the supply; and

(d) in absence of such places, the location of the usual place of residence of the supplier;

Location of Recipient of Services

As per Section 2(70) of CGST Law. 'location of the recipient of services' means,—

(a) where a supply is received at a place of business for which the registration has been obtained, the location of such place of business;

(b) where a supply is received at a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;

(c) where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and

(d) in absence of such places, the location of the usual place of residence of the recipient;

Place of Supply

As per Section 2(86) of CGST Law, 'place of supply' means,—

Place of supply as referred to in Chapter V of the Integrated Goods and Services Tax Act;

Mixed Supply

As per Section 2(74) of CGST Law, 'mixed supply' means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.

Illustration: A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately.

Composite Supply

As per Section 2(30) of CGST Law, 'composite supply' means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;

Illustration: Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply.

Also the key factors in GST is ease of availing input tax credit and therefore it is necessary to understand definition of Input Tax, input, Input Service and Capital Goods to understand allowability of various taxes paid on inward supplies.

Input Tax

As per Section 2(62) of CGST Law, 'input tax' in relation to a registered person, means the central tax, State tax, integrated tax or Union territory tax charged on any supply of goods or services or both made to him and includes—

- (a) the integrated goods and services tax charged on import of goods;
- (b) the tax payable under the provisions of sub-sections (3) and (4) of section 9;
- (c) the tax payable under the provisions of sub-sections (3) and (4) of section 5 of the Integrated Goods and Services Tax Act;
- (d) the tax payable under the provisions of sub-sections (3) and (4) of section 9 of the respective State Goods and Services Tax Act; or
- (e) the tax payable under the provisions of sub-sections (3) and (4) of section 7 of the Union Territory Goods and Services Tax Act,

but does not include the tax paid under the composition levy;

[So it covers all the tax paid under CGST Act, IGST Act, SGST Act, UTGST Act and Tax Payable on reverse charge basis under CGST, IGST, UTGST or SGST Act]

Input

As per Section 2(59) of CGST Law, ‘input’ means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business;

Input Service

As per Section 2(60) of CGST Law, ‘input service’ means any service used or intended to be used by a supplier in the course or furtherance of business;

Capital Goods

As per Section 2(19) of CGST Law, ‘capital goods’ means goods, the value of which is capitalised in the books of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business;

The rates are expected to be in the range of rates prescribed for the purpose i.e. 0%, 5%, 12%, 18% and 28%. Apart from tax, maximum Cess upto 12% can be imposed on certain specified luxuries and Sin Goods. So, on removal of exemption and present abatements, GST will increase the tax amount but at the same time because availability of all input credit seamlessly and on existence of Anti Profiteering Measure, taxable value of service may be reduced and benefit of the same shall have be passed on to the consumers. In case of Business to Business (B2B) transactions, credit of the said tax paid shall be available to business units if these services are used in the course or for furtherance of business.

Since the definitions of Input, Capital Goods and Input Services under GST are simplified, it enhances scope of Input tax Credit and will result into substantial saving of tax credit in terms of Capital investment and Inputs which was not available earlier regime. Accordingly, many registered persons shall be able to claim credit of their tax payments on infrastructure development except those in respect of which input tax credit is specifically not allowable.

Since existing assessee will also be eligible to take credit of their capital goods on hand as shown in their books of accounts for which documents like invoices are available as per Rule 5 of Input Tax Credit Rules, it will also create substantial credit on hand as on appointed date of GST and results into elimination of cascading effect on transition to GST regime.

Taxability in Proposed Tax Structure (Place of Supply generally & Applicable Taxes)

Sr. No.	Particulars	Place of Supply	Applicable Taxes	Input tax Credit Allowed for
1	Room Rental	Location of Hotel, Guest House, Club, Resort, boat, vessel	CGST & SGST	Inputs, equipments, furniture, consumables etc.

2	Restaurant Services	Location of Restaurant	CGST & SGST	Inputs, equipments, furniture, crockery, consumables etc.
3	Exhibition Services/Entertainment Parks & Sports Activity/Entry Fees to Monuments and Public Place	Location of Exhibition, celebration or similar events	CGST & SGST	Inputs, equipments, furniture, crockery, consumables, Structures used for setting up exhibitions, etc.
4	Rent a Cab Services / Air Tickets/Train Tickets/Cruise & Ship Services/State Transport Service	Location of Service Recipient if recipient is registered	CGST & SGST (If location of supplier and place of supply are in same state or union territory) IGST (If location of supplier and place of supply are in different states or Union territories)	Aircrafts, Vehicles, Train, Inputs and Consumables used for providing services, lubricants etc.
		If services provided to un registered person, place of where passenger embarks on the conveyance is place of supply	-Do-	
5	Services on Board of Aircraft/Train/Ship/Motor Vehicle	Location of a the first scheduled point of departure of that conveyance for the journey	-Do-	Inputs, equipments, furniture, consumables etc.
6	Money changing Services/Visa Service/Tour Operator	Location of Service Recipient	-Do-	Input Services consumed and goods like office equipment, furniture, computers etc.

Detailed Illustration on Place of Supply and Taxability is provided in Annexure A

GST Impact & Challenges on Industry

Based on the provisions of Model Law, it can be said that Tourism sector shall be impacted both positively and negatively under the GST regime.

- The multiple taxes would be replaced by one single tax, the rate of which is likely to be between 16%-18%. The sector may benefit in the form of lower tax rates which should help in attracting more tourists in India.
- There are likely to be concerns in valuation of restaurant services in view of the industry practice of discounts/offers/policies in the form of incentives. The proposed valuation rules are different from the existing ones and as such this sector need to frame an appropriate policy for such discounts in advance making it a part of documentation. Any discount which is not known at the time of entering transaction with customer shall not get the benefit of reduction in corresponding taxes under the GST regime.
- Service providers having centralized registration will have to get registered in each state from where they provide services. Although Government has been claiming "One Nation One Tax", practically it is not going to be so. Anyone providing services from multiple states is already enjoying "One Nation One Tax". However now that the states also have been constitutionally granted right to collect GST on services, each state would start behaving like a separate country. And if that is so a service provider catering to customers from different states, will have to opt for registration in each such State or Union Territory.
- Service providers will have an option to take different registration for separate business verticals which needs to be examined on case to case basis. Normally a service provider may opt for a single registration which would enable it to set off GST Input Tax Credits of all the verticals against the GST Output Liability of all the verticals put together. As per the latest CGST Act as assented by President on 12-04-2017, "business vertical" means a distinguishable component of an enterprise that is engaged in supply of individual goods or services or a group of related goods or services which is subject to risks and returns that are different from those of the other business verticals. A service provider may opt for multiple registrations if the verticals are actually operating as independent decentralised branches with a difficulty in coordination of related compliances.
- The procedure for all the invoices/receipts towards inward and outward supplies will become cumbersome as each one of them will have to be uploaded in the system. The concept of credit matching under GST would be very difficult to handle and would lead to increase in working capital requirements.
- The frequency and number of returns to be filed will go up. In place of a half yearly service tax return, under GST law, one will be required to file state wise monthly GST returns that too three in numbers - One for Outward Supply, One for Inward Supply and One final consolidated return. In addition, an annual return will also be required to be filed.
- There is a provision for GST audit like service tax audit under old regime.
- The e-commerce companies may have to revamp the current models, as the VAT rate arbitrage available in the current law may not be available in GST. Tax Collection at Source (TCS) provisions have been introduced on ecommerce operators in the Model GST Law though there are no provisions relating to collection of tax at source under the old regime.
- Alcohol and electricity are out of the purview of GST net. The taxation on alcohol would be different than the single GST rate. The hotel industry consumes a lot of electricity as a prime consumable and the levy of electricity duty would also not be covered in GST. Thus, the hotel industry would not be able to avail the input credit on the two items which will have a negative impact on this sector.
- The hotel industry spends a lot of money on construction and renovation. They have to move with the times in order to remain competitive and attract customers. The money paid as taxes

on the works contract services when supplied for construction of an immovable property is not allowed for this sector when such services are not used for further supply of works contract service. This would have a negative cascading effect despite strong promises being made by the government in this regard.

- The definition of Export of Services does not include the tourism and hospitality sector. Therefore, the definition needs to be updated in order to boost hospitality and tourism sector.
- Aviation Turbine Fuel is currently treated separately from other petroleum products for claiming modvat credits and since ATF is not being brought under the GST regime there would be substantial cost impact on ATF used in aircraft due to cascading duties leading to price increases. It would be interesting to note what the government does to regularise this anomaly.
- Lot of services in this sector comes in the form of a bundle. It would thus have to be seen whether the services being provided are composite in nature or a mixed supply. Both composite and mixed supplies have been defined separately under the GST Law.
- There will be ease of doing business for small service providers because of threshold exemption limit of Rs. 20 lakhs in place of existing 10 lakhs.
- Liberal availability of credit and compliance of anti-profiteering measures may benefit consumers by way of reduced price but fear of litigations and demands on account of anti-profiteering measures could be a cause of concern for service providers.
- Any proposal to make supplier of goods or services liable to pay tax under reverse charge when receiving supply from unregistered supplier can increase burden in case of B2B transactions on registered assessee.

Composition scheme in Tourism Sector

Composition scheme can be availed in tourism sector by the supplier who is engaged in providing any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption).

Person whose aggregate turnover in the preceding financial year did not having 50 lakh rupees and not having any Inter State Supply and is neither a casual taxable person nor a non-resident taxable person, can avail the benefit under composition scheme. Rate of Tax in case of Composition scheme shall not exceed 2.5% of CGST as well as 2.5% of SGST totalling to 5%.

Composition scheme proposed for restaurant, catering business which will exclude many small players out of the tax credit chain and may result into additional cascading effect in case of B2B transactions. Assessee opting for composition scheme shall not be entitled to take any credit. However, they need to pay Tax under RCM if they have any inward supply from specified person and that shall add on to their cost.

Person foregoing negligible amount of input tax credit, can benefit by opting for composition scheme since their total output liability shall reduce to 5% (2.5% CGST+ 2.5% SGST) as against current liability of 9% - 10%

GST impact States Revenue

Service related to immovable Property

Since under GST the place of supply is shifted to the place where immovable property is situated or in case of Hotels, Restaurant & Monuments for sightseeing, it will increase revenue of such states where immovable property is located. Currently on such income, States charge local Luxury Tax on hotel

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Annexure - A :- Place of Supply & Tax Applicability in Different Scenerio under GST

Location of the Supplier	Address on Record of the Tourist	Place of Tourism	Place of Supply	Taxes		Status of Supplier / Supply
				CGST + SGST	IGST	
Type - 1 :- Tour Operator (Accomodation + Travel + Sight Seeing + Food + Local Transport)						
India (Other than J&K)	India (Other than J&K) - Same State	India (Other than J&K)	India (Other than J&K) - Same State	Yes	No	Taxable Person
India (Other than J&K)	India (Other than J&K) - Same State	J & K	India (Other than J&K) - Same State	Yes	No	Taxable Person
India (Other than J&K)	India (Other than J&K) - Same State	Outside India	India (Other than J&K) - Same State	Yes	No	Taxable Person
India (Other than J&K)	India (Other than J&K) - Different State	India (Other than J&K)	India (Other than J&K) - Different State	No	Yes	Taxable Person
India (Other than J&K)	India (Other than J&K) - Different State	J & K	India (Other than J&K) - Different State	No	Yes	Taxable Person
India (Other than J&K)	India (Other than J&K) - Different State	Outside India	India (Other than J&K) - Different State	No	Yes	Taxable Person
India (Other than J&K)	J & K	India (Other than J&K)	J & K	No	No	Non Taxable Supply
India (Other than J&K)	J & K	J & K	J & K	No	No	Non Taxable Supply
India (Other than J&K)	J & K	Outside India	J & K	No	No	Non Taxable Supply
India (Other than J&K)	Outside India	India (Other than J&K)	Outside India	No	No	Non Taxable Supply
India (Other than J&K)	Outside India	J & K	Outside India	No	No	Non Taxable Supply
India (Other than J&K)	Outside India	Outside India	Outside India	No	No	Non Taxable Supply
India (Other than J&K)	No Address on Record	India (Other than J&K)	India (Other than J&K)	Yes	No	Taxable Person
India (Other than J&K)	No Address on Record	J & K	India (Other than J&K)	Yes	No	Taxable Person
India (Other than J&K)	No Address on Record	Outside India	India (Other than J&K)	Yes	No	Taxable Person
J&K	India (Other than J&K)	India (Other than J&K)	India (Other than J&K)	No	Yes	Casual Taxable Person
J&K	India (Other than J&K)	J & K	India (Other than J&K)	No	Yes	Casual Taxable Person
J&K	India (Other than J&K)	Outside India	India (Other than J&K)	No	Yes	Casual Taxable Person
J&K	J & K	India (Other than J&K)	J & K	No	No	Non Taxable Supply
J&K	J & K	J & K	J & K	No	No	Non Taxable Supply
J&K	J & K	Outside India	J & K	No	No	Non Taxable Supply
J&K	Outside India	India (Other than J&K)	Outside India	No	No	Non Taxable Supply
J&K	Outside India	J & K	Outside India	No	No	Non Taxable Supply
J&K	Outside India	Outside India	Outside India	No	No	Non Taxable Supply

J&K	No Address on Record	India (Other than J&K)	J&K	No	No	Non Taxable Supply
J&K	No Address on Record	J & K	J&K	No	No	Non Taxable Supply
J&K	No Address on Record	Outside India	J&K	No	No	Non Taxable Supply
Outside India	India (Other than J&K)	India (Other than J&K)	India (Other than J&K)	No	Yes	Non Resident Taxable Person
Outside India	India (Other than J&K)	J & K	India (Other than J&K)	No	Yes	Non Resident Taxable Person
Outside India	India (Other than J&K)	Outside India	India (Other than J&K)	No	Yes	Non Resident Taxable Person
Outside India	J & K	India (Other than J&K)	J & K	No	No	Non Taxable Supply
Outside India	J & K	J & K	J & K	No	No	Non Taxable Supply
Outside India	J & K	Outside India	J & K	No	No	Non Taxable Supply
Outside India	Outside India	India (Other than J&K)	Outside India	No	No	Non Taxable Supply
Outside India	Outside India	J & K	Outside India	No	No	Non Taxable Supply
Outside India	Outside India	Outside India	Outside India	No	No	Non Taxable Supply
Outside India	No Address on Record	India (Other than J&K)	Outside India	No	No	Non Taxable Supply
Outside India	No Address on Record	J & K	Outside India	No	No	Non Taxable Supply
Outside India	No Address on Record	Outside India	Outside India	No	No	Non Taxable Supply

Type - 2 :- (Accomodation + Food) / Accomodation / Restaurent / Exhibition Fees only

Location of the Supplier	Address on Record of the Tourist	Place of Tourism	Place of Supply	CGST + SGST	IGST	Status of Supplier / Supply
India (Other than J&K)	India (Other than J&K) - Same State	India (Other than J&K)	India (Other than J&K)	Yes	No	Taxable Person
India (Other than J&K)	India (Other than J&K) - Same State	J & K	J & K	No	No	Non Taxable Supply
India (Other than J&K)	India (Other than J&K) - Same State	Outside India	Outside India	No	No	Non Taxable Supply
India (Other than J&K)	India (Other than J&K) - Different State	India (Other than J&K)	India (Other than J&K)	No	Yes	Taxable Person
India (Other than J&K)	India (Other than J&K) - Different State	J & K	J & K	No	No	Non Taxable Supply
India (Other than J&K)	India (Other than J&K) - Different State	Outside India	Outside India	No	No	Non Taxable Supply
India (Other than J&K)	J & K / Outside India / No Address on Records	India (Other than J&K)	India (Other than J&K)	Yes	No	Taxable Person
India (Other than J&K)	J & K / Outside India / No Address on Records	J & K	J & K	No	No	Non Taxable Supply
India (Other than J&K)	J & K / Outside India / No Address on Records	Outside India	Outside India	No	No	Non Taxable Supply
J&K	India (Other than J&K)	India (Other than J&K)	India (Other than J&K)	No	Yes	Casual Taxable Person
J&K	India (Other than J&K)	J & K	India (Other than J&K)	No	No	Non Taxable Supply
J&K	India (Other than J&K)	Outside India	Outside India	No	No	Export of Service

J&K	J & K / Outside India / No Address on Records	India (Other than J&K)	India (Other than J&K)	No	Yes	Casual Taxable Person
J&K	J & K / Outside India / No Address on Records	J & K	J & K	No	No	Non Taxable Supply
J&K	J & K / Outside India / No Address on Records	Outside India	Outside India	No	No	Non Taxable Supply
Outside India	India (Other than J&K)	India (Other than J&K)	India (Other than J&K)	No	Yes	Non Resident Taxable Person
Outside India	India (Other than J&K)	J & K	J & K	No	No	Non Taxable Supply
Outside India	India (Other than J&K)	Outside India	Outside India	No	No	Non Taxable Supply
Outside India	J & K / Outside India / No Address on Records	India (Other than J&K)	India (Other than J&K)	No	Yes	Non Resident Taxable Person
Outside India	J & K / Outside India / No Address on Records	J & K	J & K	No	No	Non Taxable Supply
Outside India	J & K / Outside India / No Address on Records	Outside India	Outside India	No	No	Non Taxable Supply
Type - 3 :- Rent A Cab / Air Flight Booking / Cruise & Ship Travelling / Train Ticket						
Location of the Supplier	Address on Record of the Tourist	Starting Point of Journey	Place of Supply	CGST + SGST	IGST	Status of Supplier
India (Other than J&K)	India (Other than J&K) - Same State	India (Other than J&K)	India (Other than J&K) - Same State	Yes	No	Taxable Person
India (Other than J&K)	India (Other than J&K) - Same State	J & K	J & K	No	No	Non Taxable Supply
India (Other than J&K)	India (Other than J&K) - Same State	Outside India	Outside India	No	No	Export of Service
India (Other than J&K)	India (Other than J&K) - Different State	India (Other than J&K)	India (Other than J&K)	No	Yes	Taxable Person
India (Other than J&K)	India (Other than J&K) - Different State	J & K	J & K	No	No	Non Taxable Supply
India (Other than J&K)	India (Other than J&K) - Different State	Outside India	Outside India	No	No	Export of Service
India (Other than J&K)	J & K / Outside India / No Address on Record	India (Other than J&K) - Same state	India (Other than J&K)	Yes	No	Taxable Person
India (Other than J&K)	J & K / Outside India / No Address on Record	India (Other than J&K) - Different state	India (Other than J&K)	No	Yes	Taxable Person
India (Other than J&K)	J & K / Outside India / No Address on Record	J & K	J & K	No	No	Non Taxable Supply
India (Other than J&K)	J & K / Outside India / No Address on Record	Outside India	Outside India	No	No	Export of Service
J&K	India (Other than J&K)	India (Other than J&K)	India (Other than J&K)	No	Yes	Casual Taxable Person
J&K	India (Other than J&K)	J & K	J & K	No	No	Non Taxable Supply
J&K	India (Other than J&K)	Outside India	Outside India	No	No	Non Taxable Supply
J&K	J & K / No Address on Record	India (Other than J&K)	India (Other than J&K)	No	No	Non Taxable Supply
J&K	J & K / No Address on Record	J & K	J & K	No	No	Non Taxable Supply
J&K	J & K / No Address on Record	Outside India	Outside India	No	No	Non Taxable Supply
J&K	Outside India	India (Other than J&K)	India (Other than J&K)	No	No	Casual Taxable Person
J&K	Outside India	J & K	J & K	No	No	Non Taxable Supply
J&K	Outside India	Outside India	Outside India	No	No	Export of Service

Outside India	India (Other than J&K) / J & K / Outside India / No Address on Record	India (Other than J&K)	India (Other than J&K)	No	Yes	Non Resident Taxable Person
Outside India	India (Other than J&K) / J & K / Outside India / No Address on Record	J & K	J & K	No	No	Non Taxable Supply
Outside India	India (Other than J&K) / J & K / Outside India / No Address on Record	Outside India	Outside India	No	No	Non Taxable Supply

Note for Type 3 Model :-	Here we have assumed that there is only a single leg of journey and the tourist does not travel to multiple states or union territories otherwise proportionate amount would be required to be paid based on total journey duration in each state / union territory.
	Here we have also assumed that when the journey starts from J & K / Outside India during any time of Journey the tourist does not come to India (Other than J & K) otherwise Tax would have to be levied on total transation and place of supply shall be such place.

General Note :-	As per the Section 1(2) of CGST Act as passed by the Parliament, the law does not apply to the state of Jammu & Kashmir (J & K) and hence we have accordingly prepared the above chart.
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