

Subject: Small job workers exempted from GST registration

In implementation of the decision taken in the last meeting of the GST Council the government has provided a major relief to the small job workers (with total turnover upto Rs. 20 lakh) making inter-state supply of services by exempting them from registration vide Notification No. 7/2017-Integrated Tax dated 14/9/2017(copy enclosed).

This exemption is subject to the condition that the inter-state supply of services is made to the registered persons. It implies that while the job worker making such supplies would be exempt from registration and other compliance under the GST Law, the liability to pay GST would be on the recipient (i.e. exporters in the case of members of AEPC) on RCM basis.

This exemption would not apply in following cases:

- (i) Where the aggregate turnover of the job worker in a financial year exceeds Rs. 20 Lac in a non special category state or Rs. 10 Lac in a special category state.
- (ii) Where the job worker has taken a voluntary registration. Because once registered voluntarily, all provisions of the GST law apply.
- (iii) Job worker who is involved in making supply of services in relation to the goods mentioned against serial number 151 in the Annexure to rule 138 of the Central Goods and Services Tax Rules, 2017 i.e. rendering services in relation to jewellery, goldsmiths and silversmiths wares and other articles (chapter 71).
