



# Solar panel installation service tax rate

Are solar installations taxable?

The appellant has mainly submitted that the entries in tariff notfn for both goods and services have been amended since 1.2.2019 itself to give effect to taxability of contracts for supplies of goods with installation services in the sector of solar devices in a ratio of 70:30 with an effective rate of 8.9%.

Are solar panels taxable under GST?

As such,they are also taxed at an 18%GST. Solar panels,which convert sunlight into electricity,are a cornerstone of solar power systems. These are classified under the Harmonized System of Nomenclature (HSN) code 85414011. The GST rate applicable to solar panels is 12%.

How much GST does a solar project cost?

All renewable energy devices are taxed at 12%GST. But,if the project includes erection,procurement,and commissioning of a solar generating system,it will fall under 'Works Contract Services'. In this case,12% GST will be applicable on 70% of the total contract value and 18% on the remaining 30% value.

What is the GST rate on solar power based devices?

On Solar Power Based Devices, a) 5% GST ruled on Goods, where the value of goods is to be taken as 70% of the gross consideration uptill 30.9.2021. However, the rate of tax on goods portion stands increased from 5% to 12%, w.e.f. 1.10.2021. b) 18% GST ruled on Services, where the value of Services is to be taken as 30% of the gross consideration.

Can a solar power generator be taxed on Iron & Steel?

GST at the rates specified for the goods of those headings. Structures of iron and steel etc. as claimed by the appellant,can,therefore,neither be classified as solar power based devices nor called as solar power generators and the rate of tax as applicable to such devices or systems can not applyto the iron and steel structures.

Does India need a tax structure for solar power?

India's push towards renewable energy,particularly solar power,is supported by a clear taxation structureunder the Goods and Services Tax (GST). This structure helps streamline the financial aspects of adopting solar technology,making it more accessible to both consumers and businesses.

Recently Authority of Advance Ruling (AAR) in the state of Maharashtra has given an order confirming that construction of solar power system is a works contract and GST Rate would be 18%. They have passed two orders pertaining to M/s Giriraj Renewables Private Limited and M/s Fermi Solar Farms Private Limited.

From 1st October onwards all solar products or solar panel systems will attract a GST of 12%. Therefore, in this article, I've explained the billing pattern of the on-grid solar panel system and how the tax structure should be on the invoice.



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8 ?&#0183; The applicable GST rate for supply of equipment for a solar power generating system (composite supply) will be 12% (the value can be equivalent to 70% of the plant cost). ...

In re VBC Associates (GST AAR Tamilnadu) No ITC on goods/services used for installation of Solar Power Panels being Plant and Machinery. The AAR, Tamil Nadu in the matter of VBC Associates [Advance Ruling No. 10/2022/ARA dated August 31, 2022], has ruled that the assessee is not eligible to claim Input Tax Credit ("ITC"), as per Section 17(2) of the Central ...

The applicable GST rate for supply of equipment for a solar power generating system (composite supply) will be 12% (the value can be equivalent to 70% of the plant cost). However, for installation and engineering services, EPC companies and installers will need to raise a separate works contract equivalent to 30% of the overall bill with a GST ...

Under the GST tariff, entry No.234 of Sch.- I has a specific entry for Solar PV cells which is taxable at the rate of 5%. The entry is as under: 234. Hence, the classification of solar panels is clear and it attract 5% rate of ...

In the solar sector, projects often involve the installation of solar power systems, which include both goods (hardware) and services (installation). These are treated as composite supplies under GST law. The taxation for such composite supplies is split: - 70% of the total contract value is considered as the supply of goods and is taxed at ...

The credit percentage rate phases down to 26 percent for property placed in service in 2033 and 22 percent for property placed in service in 2034. You may be able to take the credit if you made energy saving improvements to your home located in the United States.

(i) Solar inverter, controller, battery and panels supplied for "solar power generating system" are taxable @ 5% (2.5% CGST + 2.5% SGST) under Serial No. 234 of Schedule-I to Notification No. 1/2017-C.T. (Rate).

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(i) Solar Panel has a specific entry in the 1st schedule and the same is taxable at the rate of 5% GST; (ii) Solar Pump is a solar power based device which is covered under entry No. 234 of notfn No.1/2017-CT (R) dated 28.6.2017 and, therefore, taxable at the rate of 5%.GST;

The CBIC issued Circular No. 163/19/2021-GST dated 06 th October 2021 clarifying on various GST classification issues including GST rates on Solar PV Power Projects. The Circular reads as follows:  
Representations ...

(i) Solar Panel has a specific entry in the 1st schedule and the same is taxable at the rate of 5% GST; (ii) Solar



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Pump is a solar power based device which is covered under entry No. 234 of notfn No.1/2017-CT (R) dated ...

Brief Overview of GST Rate on Solar Panels. The Goods and Services Tax (GST), implemented in India in 2017, is a single tax levied on the supply of goods and services. It replaced a complex web of central and state taxes, simplifying the tax system and creating a unified market. GST applies to most goods and services, with rates ranging from 0% to 28%. ...

All renewable energy devices are taxed at 12% GST. But, if the project includes erection, procurement, and commissioning of a solar generating system, it will fall under "Works Contract Services". In this case, 12% GST will be applicable on 70% of the total contract value and 18% on the remaining 30% value.

On GST side, the current situation is, paying 5% GST upto 70% of the project cost, being the material cost and 18% for remaining 30% installation cost.

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