

Liability of Co-operative Societies under GST Laws

1. Turnover limit: -

The Co-operative Societies whose Aggregate Turnover exceeds Rs. 20,00,000/- in a year shall be liable to be registered under GST Act. The Aggregate Turnover includes taxable and exempt supplies of goods and services, other receipts of the society such as Rent, Hire Charges, Interest from Banks on its investment but it does not include the turnover on which the society is liable to pay GST on Reverse Charge Mechanism basis (RCM). As such if the aggregate turnover of society exceeds Rs. 20 lakhs in a year it is liable to be registered under GST Laws even though its billing to members is less than Rs. 20 lakhs.

2. Impact of legal services availed by Societies: -

The Societies are also liable to pay GST on the legal services availed from Advocate or firm of Advocates on the basis of RCM. These societies need to be registered under GST irrespective of the turnover and after registration all the provisions of GST will be applicable.

3. Effective date for GST Registration: -

The societies which were registered under Service Tax Provision prior to 01.07.2017 should migrate to GST Regime. The Societies not registered under previous laws and liable to be registered under GST Regime became liable w.e.f. 01.07.2017 and therefore has to apply on or before 30th July 2017. The Societies which became liable after 01.07.2017 need to apply for Registration within 30 days from becoming liable for Registration.