

Gst rate on solar panel





Overview

The GST rate applicable to solar panels is 12%. This rate was established to encourage the adoption of solar technology while maintaining a reasonable tax revenue stream for the government.

The GST rate applicable to solar panels is 12%. This rate was established to encourage the adoption of solar technology while maintaining a reasonable tax revenue stream for the government.

The GST rates for solar power-based devices and systems have evolved since the introduction of the tax regime in July 2017. The current GST rate structure, effective from 1st October 2021, is as follows: The GST on services related to solar power projects, such as installation and commissioning.

Thus, solar structures are taxed at 18% GST. Solar panels: They are made of solar cells and are connected in series. They are made of semiconductor material that converts sunlight into electrical energy. Thus, they are considered solar power based devices and charged at 12% GST. Solar cookers: All.

Solar panels or photovoltaic modules are taxed at 12% GST. Earlier, it was 5%, but the government increased it to correct the tax structure. 2. What is the GST rate for solar inverters and other solar products?

Other parts like charge controllers and wires also attract 18% GST. 3. What GST applies.

Consequently, it falls under HSN 8504, which encompasses “Electrical transformers, static converters, and inductors,” and is subject to an 18% tax rate. Solar structures, whether or not they are directly related to solar power generation, are categorized similarly. As such, they are also taxed at.

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.



The GST rate on solar panels is currently set at 18%, which includes both the Central GST (CGST) and State GST (SGST) components. For businesses, proper GST registration for proprietorship is essential to claim input tax credits. Solar panels are essential for generating solar energy and are often. What is the GST rate on solar panels in India?

1. What is the current GST rate on solar panels in India?

Solar panels or photovoltaic modules are taxed at 12% GST. Earlier, it was 5%, but the government increased it to correct the tax structure. 2.

What is the GST rate for solar power plant?

For commercial solar projects or EPC (Engineering, Procurement, and Construction) contracts, the GST for solar power plant is also 5%, provided it is a composite supply. This means the entire system — panels, inverters, cabling, structure, and installation — is billed together under one contract. What Is the Solar System GST Rate?

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Does GST apply to solar panels?

As per the GST regulations: 18% GST applies to solar panel devices. Installation services bundled with solar panels may attract GST rates as low as 5%, depending on the specific contract. The GST rate for solar power-based devices is 18%, as outlined by the government.

What is the GST rate for solar power generating system (composite supply)?

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).

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.

How much GST does a solar inverter cost?



This includes panels sold directly or as part of a larger system. The gst on solar inverter is 5% only if it is sold as part of a solar system. If purchased separately (not with solar panels), the GST rate is 18%. So, to get the benefit of a lower rate, it's recommended to buy the complete solar system from a single supplier.



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[Solar Industry Confused About GST Rates and ...](#)

With the increase in GST from 5% to 12% on renewable energy equipment, at the project level, the new effective rate of GST on wind and solar power comes to around 13.8%. The confusion is around the use of the word ...



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The appropriate rate of GST in Solar Panels will be 5% (identical to 70% of the plant cost). In any case, for establishment and designing services, EPC organizations and installers should raise a different works contract comparable ...



[GST Rates on Solar Power based devices & System](#)

5. Mixed Supply-Rate of Tax- The combination of "Solar panel, Solar Controller & Solar Pump" and "Solar Pump & Solar Panel" and "Solar Pump & Solar Controller" and "Solar Panel & Solar Controller", constitute ...



Solar Panel Tax 2025 Pakistan

New Solar Panel Tax 2025 Pakistan, In the 2025-26 budget, the government has imposed General Sales Tax (GST) and import duty on solar panels. Earlier, these items were mostly tax-free



to provide affordable energy to the public.



[GST Calculation on Hybrid Solar Panel System](#)

The GST on solar products has been increased from 5% to 12%. 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 ...

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