

# Solar cell gst rate





## Overview

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

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So, it will fall under HSN 8504, which is read as “Electrical transformers, static converters and inductors”, and are taxed at 18%. Solar structure: They are not solar power-based or solar power-based devices. Thus, solar structures are taxed at 18% GST. Solar panels: They are made of solar cells.

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 inverters and other solar products?

Other parts like charge.

The solar panel HSN code falls under Chapter 85 of the GST tariff, which covers electrical machinery and equipment. 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.

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 GST council, in September 2021, announced the GST increase for 'specified renewable energy parts,' from 5% to 12%, which came into effect the following month. With the rising ambiguity around managing the project costs with the increase in the GST rate, many developers have raised their concern.

The Goods & Services Tax (GST) council has declared 70% of the gross value to be deemed as the value of supply of asserted goods or services at the rate of up to 5% from the total project cost, is the material cost involving supplying of solar equipment. The remaining 18% to be paid on 30% of the. 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 are GST rates on solar energy devices & systems?

The GST rates on solar energy devices and systems are a part of India's broader strategy to promote renewable energy. By setting a relatively moderate tax rate, the government aims to reduce the initial financial burden on consumers and businesses, thereby encouraging wider adoption of solar technologies.

Why does GST increase in solar cell & module industry?

The increase in GST rate is aimed to address the issue of inverted duty structure for solar cell and module manufacturers to make them competitive. In an inverted tax structure, the tax rate on inputs used is higher than the tax rate on the outputs for sale.

How is GST calculated on solar panels in India?

Note: For EPC contracts and turnkey solar power projects, GST is calculated at 5% using the 70:30 rule, where 70% of the value is considered goods and taxed at 5%, and 30% is services, taxed at 18%. 1. What is the GST rate on solar panels in India?

The GST rate on solar panels is 5% as per the current GST regime. 2.

What is the GST rate for solar panels & inverters?



According to the article, solar panels and solar inverters attract a GST rate of 5% under the Harmonized System (HS) codes 85414011 and 85044090, respectively. How is the GST calculated for Erection, Procurement, and Commissioning (EPC) contracts of solar power plants?

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Are solar panels taxed under GST?

These systems are generally taxed at 12% under the GST regime. This rate applies to all equipment and components used in generating solar power, ensuring consistency in taxation across the sector. Solar inverters, which convert the DC electricity generated by solar panels into AC electricity used by most appliances, are taxed at a GST rate of 12%.



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

GST Rates on Solar Power based devices & System The ARA, Rajasthan has pronounced judgment on 3.9.2021, in the case of Sapna Gupta (2021) 36 J.K.Jain's GST & VR 338, holding that; "1. Solar pump is solar power ...

### [Solar Power Generating System Hsn Code GST](#)

Conclusion The HSN code and GST rate applicable to solar power generating systems play a crucial role in the promotion of solar energy in India. The government has provided a concessional GST rate of 5% on the supply of ...



### [Impact of GST on Solar & Renewable energy](#)

In India, the implementation of the Goods and Services Tax (GST) has had a significant impact on numerous industries, including the solar and renewable energy sector. The introduction of the Goods and Services Tax ...

### **Solar Panel Which Converts Sunlight into Electricity is ...**

AAR Held The Authority for Advance Ruling noted that the solar panels are most critical component of a solar water pump as they convert sunlight



into electricity. The panels are typically made of photovoltaic cells that convert ...



### [GST Rates & HSN Codes for Solar Rooftop Products](#)

GST Rates and HSN Codes for Solar Rooftop Products in India HSN (Harmonized System Nomenclature) Number and SAC (Services Accounting Code) Number got its place as a new column in invoices for Solar ...



### [HOW TO CALCULATE GST ON SOLAR POWER ...](#)

27 September 2023 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 ...



### [GST Rate: GST hike from 5% per 12% to make solar ...](#)

The GST fitment committee's recommendation to raise the tax on solar modules from 5% to 12% has sent shockwaves across the renewable energy industry, as companies are worried that it would make a lot of projects ...





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