

GST on Services (2026): E-commerce Delivery and Transport, Electric Vehicle Rentals, Helicopter Seats and Foreign Shipping Lines

Description

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Quick summary

- Transport of goods by a GTA, where the goods are supplied or ordered through an e-commerce operator, is to attract GST at 5% without ITC or 18% with ITC, and entry 21A exemption will not be available for it.
- Delivery services for goods supplied or ordered through an ECO are to attract 5% without ITC. If the delivery provider is not liable to register, the ECO pays under section 9(5).
- Electric vehicle passenger transport and rental with operator, where battery charging cost is included, is to get the same rates as the conventional vehicle services.
- Seat-sharing helicopter passenger transport is to be exempt in addition to the economy class air exemption. Chartered helicopters are not covered.
- These are recommendations of the 57th GST Council and apply only once notified.

The services FAQ published by the PIB on 09/10/2026 has 43 questions. This post takes the first group, on transport and delivery. Part 2 covers toll roads, reseller credit and the agricultural and research exemptions. The source for both is the FAQ read with the press release of 08/10/2026.

These are proposals of the 57th Council. They apply only after notification, and the FAQ says its answers have no legal validity.

Goods ordered through an e-commerce operator

The FAQ separates two services, and the difference decides who pays.

Service	Rate stated	Who pays

Goods transport by a GTA, goods supplied or ordered through an ECO	5% without ITC, or 18% with ITC. Entry 21A exemption not available	The GTA, as applicable. The ECO is **not** liable under section 9(5)
Delivery service, goods supplied or ordered through an ECO, provider not liable to register	5% without ITC	The **ECO**, under section 9(5)
Delivery service, goods supplied or ordered through an ECO, provider liable to register	5% without ITC	The delivery service provider

What stays the same, according to the FAQ:

- the entry 21A exemption for GTA transport of goods **not** ordered or supplied through an ECO;
- the treatment of transport by individual truck owners and operators.

Electric vehicles

Earlier, the rate options for passenger transport and for rental with operator depended on fuel cost being included in the price. Electricity for charging is not “fuel”, so EV services could not use the same options, which created a difference between otherwise similar services.

The proposal aligns EV passenger transport and EV rental **with operator**, where the cost of battery charging is included in the price, with the corresponding conventional vehicle services. The rates will be the same as those for the conventional service.

Two limits:

- **Leasing or rental without an operator** is not changed. It continues to be taxed at the rate applicable to the underlying goods.
- In a vehicle leasing arrangement, registration charges, road tax, insurance, FASTag charges and other statutory or ancillary recoveries from the lessee form part of the composite supply of leasing and are taxed at the leasing rate.

Helicopters

The existing exemption for passenger air transport in economy class to or from specified airports continues. The exemption is **extended in addition** to passenger transport by helicopter **on a seat-sharing basis** to or from those places, including where the helicopter operates from a helipad, which the FAQ treats as an aerodrome under the Bharatiya Vayuyan Adhiniyam, 2024.

Chartered helicopter services are not covered.

Foreign shipping lines

An exemption is proposed for import of services by the Indian establishment of a foreign shipping line from its overseas head office or establishment, **only when the service is provided without consideration**. Services for consideration continue to be taxed. “Foreign company” has the meaning in section 2(42) of the Companies

Act, 2013. The FAQ says this brings parity with foreign airlines.

For the past period, the treatment will be regularised “as is where is”. The position already taken is accepted, and where GST was paid, no refund is allowed.

What this means in practice

- **Sellers on marketplaces and their logistics partners** should check which service they supply and whether the goods are ordered through an ECO. The rate, the credit position and the person liable all turn on that.
- **A GTA serving ECO orders** loses the exemption for that work and must choose between 5% without ITC and 18% with ITC.
- **Fleet and cab operators with electric vehicles** should expect their rate to match conventional vehicles, but only where charging cost is in the price and an operator is supplied.

What to do now

1. **Separate ECO related transport and delivery** from other work in your billing data.
2. **Note which delivery providers are below the registration threshold**, since then the ECO is the payer.
3. **Do not change rates yet.** Wait for the notification.

How CSM & Co LLP can help

We can review your transport, delivery and rental billing against these proposals, advise a GTA on the 5% or 18% choice, and prepare your position once the notification is issued. Please reach out to our team and we will be happy to assist.

Frequently asked questions

What GST rate is recommended for goods transport by a GTA where the goods are ordered through an ECO?

5% without ITC or 18% with ITC, and the exemption under entry 21A will not be available for such services.

Is the ECO liable under section 9(5) for the GTA service?

No. The GTA is liable to pay GST, as applicable.

What is the rate on delivery services for goods ordered through an ECO?

5% without ITC.

Who pays GST on delivery services supplied through an ECO?

If the delivery provider is not liable to be registered, the ECO pays under section 9(5). If the provider is liable to be registered, the provider pays at 5% without ITC.

Does this affect individual truck owners or goods not ordered through an ECO?

No. The FAQ says the treatment of individual truck owners and of GTA transport of goods not ordered or supplied through an ECO is unaffected.

Will electric vehicle rentals get the same rates as conventional vehicles?

For passenger transport and rental with operator where battery charging cost is included, yes. Leasing without an operator is not changed.

Are chartered helicopters exempt?

No. Only seat-sharing passenger transport by helicopter is covered.

Official sources

- Press Information Bureau: FAQs on issues related to services, 09/10/2026
- Press Information Bureau: Recommendations of the 57th Meeting of the GST Council, 08/10/2026
- CBIC GST tax information portal

Related reading

- 57th GST Council Meeting (October 2026): Arrest Powers Removed, Faster Refunds and Wider ITC

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Related GST reading

- e-Invoicing for Reverse Charge Self-Invoices: RCMDOM and RCMIMP Explained (2026)
- GST Refunds (2026): Automated 90% Provisional Sanction, the 10 Day Clock and Wider Net ITC

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