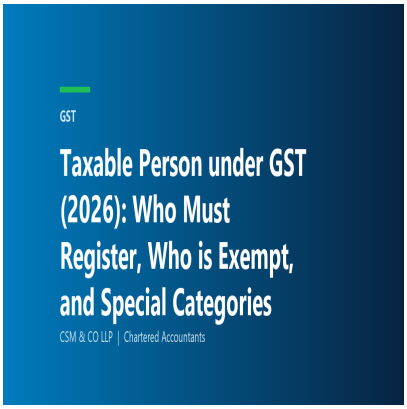

Taxable Person under GST (2026): Who Must Register, Who is Exempt, and Special Categories

Description

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Quick summary

- A “taxable person” is anyone registered, or required to be registered, under GST - the registration threshold itself (section 22) is separate from the list of persons who must register regardless of turnover (section 24).
- Section 24 overrides the turnover threshold entirely for specific categories - inter-State suppliers, e-commerce operators, reverse charge taxpayers, casual and non-resident taxable persons, Input Service Distributors, and (since October 2023) overseas online money gaming suppliers.
- Section 23, substituted by the Finance Act, 2023 and now in force, exempts exclusively exempt/non-taxable suppliers and agriculturists from registration even if Section 22 or 24 would otherwise apply to them.
- A casual or non-resident taxable person gets a temporary registration valid for 90 days (extendable by another 90 days), and must deposit estimated tax in advance before making any taxable supply.
- An Input Service Distributor can only distribute credit on input services, never on input goods or capital goods, to branches sharing the same PAN.

Whether a particular person or business must register for GST, and when, is governed by three sections working together - not one simple turnover test. Section 22 sets a default threshold; section 24 overrides it for specific categories regardless of turnover; and section 23 carves out exemptions that override both. Missing how these three fit together is one of the most common registration mistakes.

New to terms such as “reverse charge” or “Input Service Distributor”? See the technical terms explained in simple words further down.

What “taxable person” means

A taxable person is anyone **registered, or required to be registered**, under the CGST Act. “Person” here is defined broadly - individuals, a Hindu Undivided Family, a company, a partnership firm, an LLP, an association or body of individuals, a corporation or government company, a body corporate under foreign law, a co-

operative society, a local authority, a trust, and any other artificial juridical person all count.

The default threshold: section 22

Under section 22, a person becomes liable to register once their aggregate turnover crosses:

Category	Threshold
Most suppliers	Rs 20 lakh
Exclusive goods suppliers, where a State has notified the higher limit	Up to Rs 40 lakh
Special category States	Rs 10 lakh

This is a **default** threshold - it does not apply to everyone, because sections 23 and 24 carve out exceptions on both sides.

Who must register no matter how small their turnover is: section 24

Section 24 overrides section 22's threshold entirely for these categories - they must register regardless of turnover:

- Persons making **inter-State taxable supplies**
- **Casual taxable persons** making taxable supplies
- Persons liable to pay tax under **reverse charge**
- Persons liable under **section 9(5)** (specified electronic-commerce-operator supplies)
- **Non-resident taxable persons** making taxable supplies
- Persons required to **deduct TDS** under section 51
- **Agents** making taxable supplies on behalf of other taxable persons
- **Input Service Distributors**
- Suppliers through an **e-commerce operator required to collect TCS** under section 52
- Every **e-commerce operator** required to collect TCS under section 52
- Suppliers of **OIDAR services** (online information and database access or retrieval) from outside India to an unregistered person in India
- Overseas suppliers of **online money gaming** to a person in India - added with effect from **1 October 2023**
- Any other category the Government notifies on the GST Council's recommendation

Who is exempt even if they would otherwise have to register: section 23

Section 23, as substituted by the Finance Act, 2023 and **now in force**, exempts two categories from registration - **notwithstanding** sections 22(1) and 24, meaning this exemption overrides both:

1. Anyone **exclusively supplying goods or services that are not taxable, or wholly exempt** under the CGST or IGST Acts.
2. An **agriculturist**, to the extent of supplying produce grown on their own cultivated land.

This settles a question that was genuinely open for a period: the amendment clarifies that these two categories need not register even if section 22 or 24 would otherwise catch them - and this is the current, operative law, not a pending proposal.

Casual taxable person

Someone who occasionally supplies goods or services in a State or Union Territory where they have **no fixed place of business**. *Example: a consultant based in Bengaluru who takes on a short engagement in Pune, with no office there, is a casual taxable person in Pune for that engagement.*

Non-resident taxable person

The same concept, applied to someone with **no fixed place of business anywhere in India**. A non-resident occasionally supplying goods or services into India is a non-resident taxable person.

Registration mechanics for casual and non-resident taxable persons

Under section 27:

- The registration certificate is valid for the period stated in the application, or **90 days from the effective date**, whichever is earlier.
- It can be **extended by a further period of up to 90 days**, on sufficient cause shown to the proper officer.
- An **advance deposit of estimated tax** must be made at the time of applying (and an additional deposit if an extension is sought) - the person cannot make any taxable supply before the certificate is actually issued.
- The deposit sits in the **electronic cash ledger** and is used to pay tax as it falls due.

Input Service Distributor (ISD)

An office of a supplier that receives tax invoices for **input services**, and distributes the CGST, SGST or IGST credit on those services to its own branches sharing the same PAN. **Only credit on input services can be distributed this way - never on input goods or capital goods.**

Composition taxpayer

A person registered under the Composition Scheme (section 10) who pays a flat, low rate of tax on turnover instead of the normal rate, without charging GST to customers. See our full GST Composition Scheme guide for the current turnover limits and rates.

QRMP taxpayer

A registered person filing GSTR-3B, with aggregate turnover up to Rs 5 crore in the preceding financial year, can opt into the **Quarterly Return Monthly Payment (QRMP) Scheme** - filing GSTR-1 and GSTR-3B once a quarter, while still paying tax monthly through FORM PMT-06, and optionally uploading B2B invoices monthly through the Invoice Furnishing Facility (IFF).

How registration works by category

- Registration must be applied for in **every State** where a person is liable, within **30 days** of becoming liable.
- Casual and non-resident taxable persons must apply **at least five days before** starting business.
- Registration is **PAN-based**, so a PAN is a prerequisite.
- Registration is **State-wise** - a separate registration is needed for each State, with an option for a separate registration per business vertical within the same State.

How CSM & Co LLP can help

Getting registration timing wrong - registering too late under section 24's compulsory categories, or registering unnecessarily when section 23 would have exempted the business - both create avoidable compliance costs. Please reach out to our team and we will be happy to assist with registration analysis, casual and non-resident taxable person registrations, and Input Service Distributor set-up.

Technical terms explained in simple words

Term	What it means
Aggregate turnover	The total value of all taxable, exempt and export supplies made by a person under one PAN, across all their GST registrations, added together.
Reverse charge	A situation where the recipient of a supply, not the supplier, is liable to pay GST directly to the Government.
Electronic cash ledger	The online account on the GST Portal holding a taxpayer's cash deposits, used to pay GST liabilities.
OIDAR services	Online Information and Database Access or Retrieval services - a category of digital services (such as cloud services, online content, and similar) supplied over the internet with minimal human intervention.
Input Service Distributor (ISD)	An office of a business that receives invoices for services used across multiple branches, and redistributes the GST credit on them to those branches.
TCS (Tax Collected at Source)	Tax an e-commerce operator must collect on payments to the sellers who supply through its platform, and deposit with the Government.

Frequently asked questions

Who is a "taxable person" under GST?

Anyone who is registered, or required to be registered, under the CGST Act - this covers individuals,

HUFs, companies, firms, LLPs, AOPs/BOIs, co-operative societies, local authorities, trusts, government bodies and other legal persons that carry on business in India.

At what turnover must a business register for GST?

Under section 22, Rs 20 lakh is the default threshold (Rs 10 lakh in a special category State), with a higher Rs 40 lakh limit available for suppliers dealing exclusively in goods, where the relevant State has notified it.

Who must register for GST regardless of turnover?

Under section 24, specific categories must register no matter how small their turnover is: inter-State suppliers, casual taxable persons, reverse charge taxpayers, persons liable under section 9(5), non-resident taxable persons, TDS deductors, agents making supplies on another's behalf, Input Service Distributors, e-commerce operators required to collect tax at source and those supplying through them, suppliers of online information and database access or retrieval (OIDAR) services from outside India, and, since 1 October 2023, overseas suppliers of online money gaming.

Who is exempt from GST registration even if they cross the threshold?

Under section 23, as substituted by the Finance Act, 2023 (now in force), a person dealing exclusively in exempt or non-taxable goods or services, and an agriculturist supplying only produce from their own cultivated land, are not liable to register - this exemption overrides sections 22 and 24 for these two categories.

What is a casual taxable person, and how long does their registration last?

Someone who occasionally supplies goods or services in a State or Union Territory where they have no fixed place of business. Under section 27, their registration is valid for 90 days from the effective date (or a shorter period they specify), extendable by a further 90 days, and they must deposit estimated tax in advance before the certificate is issued.

What can an Input Service Distributor distribute credit for?

Only input services - never input goods or capital goods. An ISD is an office of a supplier that receives tax invoices for input services and redistributes the CGST, SGST or IGST credit on them to branches sharing the same PAN.

Official sources

- CBIC Tax Information Portal - Section 22, CGST Act, 2017 (Persons liable for registration)
- CBIC Tax Information Portal - Section 23, CGST Act, 2017 (Persons not liable for registration)
- CBIC Tax Information Portal - Section 24, CGST Act, 2017 (Compulsory registration in certain cases)

- CBIC Tax Information Portal - Section 27, CGST Act, 2017 (Special provisions for casual and non-resident taxable person)
- GST Portal

Related reading

- GST and Exports (2026): Foreign Branches, Testing and Repair Work, SEZ Delivery and Faster Refunds
- Switching Into or Out of the GST Composition Scheme (2026): ITC-03, ITC-01 and Rule 44
- GST Composition Scheme (2026): Turnover Limit, Rate, CMP-02 and Returns

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