Membership Fees Collected by Clubs Not Liable to GST

New Delhi: The membership or admission fee charged by clubs is not for services provided, and hence does not fall under the ambit of goods and services tax (GST), the Maharashtra Appellate Authority of Advance Ruling (AAAR) has said. The appellate body said that since the membership fee of the appellant—Rotary Club of Mumbai Queens Necklace—is used for meeting administrative expenditure and is not in lieu of any specific facility or benefits being provided, it does not fall under the ambit of taxation, and hence no credit against it can be availed.

“We hereby hold that the amount collected as membership subscription and admission fees from members is not liable to GST as supply of services,” the AAAR said in an order issued recently. The Maharashtra AAAR effectively set aside the state AAR rulings that had termed membership fee as supply of service liable to GST.