

**GOVERNMENT OF TAMIL NADU  
COMMERCIAL TAXES DEPARTMENT  
OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES  
EZHILAGAM, CHENNAI- 600 005**

**PRESENT: Dr. D.JAGANNATHAN I.A.S,**

**COMMISSIONER OF STATE TAX**

**Circular No. 8/2024  
(PP6/GST-160/2024)**

**Dated : 12.07.2024**

Sub: Clarification on the requirement of reversal of input tax credit in respect of the portion of the premium for life insurance policies which is not included in taxable value--Regarding.

Ref: Circular No. 214/8/2024-GST, dated 26.06.2024, issued by Government of India, Ministry of Finance, Department of Revenue, CBIC, GST Policy Wing.

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In the reference cited, the Government of India, Ministry of Finance, Department of Revenue CBIC, GST Policy Wing, has issued Circular No 214/8/2024-GST, dated 26.06.2024 based on the recommendations of the GST Council. Hence, following *pari-materia* circular is issued.

Representations have been received from the trade and field formations by the GST Council, seeking clarification on the issue as to whether the amount of insurance premium, which is not included in the taxable value as per Rule 32(4) of Tamilnadu Goods and Services Tax Rules, 2017 (hereinafter referred to as the "TNGST Rules") applicable for life insurance business, will be treated as pertaining to an exempt supply/ non-taxable supply and whether the input tax credit availed in respect of such amount shall be required to be reversed or not.

2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Commissioner, in exercise of its powers conferred by section 168 of the Tamilnadu Goods and Services Tax Act, 2017 (hereinafter referred to as the "TNGST Act"), hereby clarifies the issues as under: