1. What is GST?

GST = Goods and Service Tax. It is applicable on supplying services or goods at the rate specified in the act.

2. Which are the taxes going to be merged in GST?

- Excise duty
- Service tax
    - Will be the Part of the CGST
- State VAT
- Octroi
- Entry Tax
- Luxury tax
- Tax on lotteries, betting and gambling.
    - Will be the part of SGST
- CVD
- Special CVD
- Central Sales Tax
    - Will be the part of IGST.

3. What are the new taxes under GST?

There are 3 taxes, namely:

- SGST – State GST
- CGST – Central GST
- IGST – Integrated GST

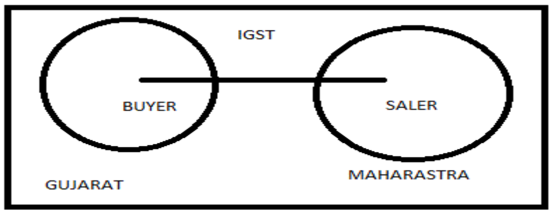
4. What is new in GST?

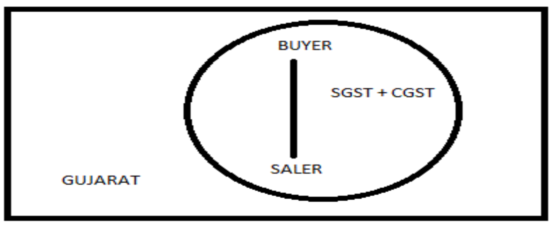
GST is consumption based tax means the tax will be payable in state where the goods and services are finally consumed.

5. Which taxes will be applicable under GST?

Interstate Transactions and Imports: IGST

Transaction within the same state: SGST + CGST





6. What is taxable event in GST?

"Supply" of goods and/or services is taxable event instead of "sale". Consideration is not required for supply.

7. What is the expected rate of total tax under GST?

The rate of CGST and IGST will be common in the whole of India. While SGST rate shall be decided by the respective state.

Looking towards the current scenario, the total GST rate can be expected <u>@ 18%.</u>

8. What is the effect of GST on imports?

CVD and Special CVD on imports will be <u>at par with IGST rate</u>. Moreover, it will be <u>eligible for input tax credit</u>.

(Currently CVD = Excise rate and Special CVD = State VAT rate)

9. I want to transfer goods to my branch. Do I need to charge GST?

Yes.

10. If I want to distribute free samples. Do I need to pay GST?

Yes.

11. What is taxable turnover / sales / supply?

- Taxable turnover includes supply of goods and services both.
- It includes branch-HO transfers and transfers between principal and agent.
- Transfer of goods: Principal → Job worker: Not a Supply.
- Goods or services supplied free of cost is taxable

12. Which products are out of GST currently?

a. Petroleum products
b. Alcohol for human consumption.

They will be covered under GST at later stage.

13. When should I get registered under GST?

When the taxable turnover exceeds Rs. 9 lakhs, registration is compulsory. The said limit is proposed to be Rs. 25 lakhs.

(S. 9 of the GST model law, 2016)

14. If I am supplying only those goods / services which are not taxable in GST, then should I get myself registered?

No.

(S. 9(3)(b) of the GST model law, 2016)

15. What is aggregate turnover?

It includes taxable supplies, non-taxable supplies, exempt supplies and export of goods and services. It does not include:

1. GST charged
2. Value of supplies on which tax is payable on reverse charge.

(S. 2(6) of the GST model law, 2016)

16. What is casual taxable person?

A casual taxable person is a person-

a. Who occasionally undertakes transactions
b. Involving supply of goods and/or services
c. In the course of furtherance of business
d. In a taxable territory
e. Where he has no fixed place of business.

(S. 2(21) of the GST model law, 2016)

17. If any deposit accepted from customer, is it taxable as consideration?

No. Any deposit whether refundable or non-refundable, is not taxable unless it is adjusted against the supply.

(S. 13(6) of the GST model law, 2016)

18. How administration will be bifurcated under GST?

CGST and IGST → Central Government.

SGST → State government.

19. If a bank sales the seized goods of any borrower against the non-payment of installments. Is it charged under GST?

It is a deemed sale and GST will be applicable.

(Point 2 of Schedule II of the GST model law, 2016)

20. I am an employee, am I covered under GST?

Any services provided by employee to his employer are <u>specifically not taxable</u> under GST. (S. 9(3)(a) of GST model law, 2016)

21. I am a farmer. Am I covered by GST?

The agriculturists are <u>not taxable</u> under GST.

(First proviso S. 9(1) of GST model law, 2016)

22. Is there any scheme under GST for lump-sum payment of tax?

Yes, composition scheme rate is proposed @ 1% of the turnover. But followings are the conditions:

a. Turnover in a financial year shall not exceed 50 Lakhs
b. No interstate supplies shall be allowed.
c. If more than one business is registered on the same PAN, all of them must apply for composition scheme and follow the conditions.
d. GST cannot be charged in the invoice from the recipient.

(S.8 of GST model law, 2016)

23. What is time of supply? (Point of taxation)

In case of goods	**In case of services**
Earliest of the following:	
Date on which goods were removed.	Date of completion of the provision of service.
Date on which goods were made available to the recipient.	
Invoice date	Invoice date
Payment receiving date	Payment receiving date
Date on which recipient shows receipt of the goods.	Date on which recipient shows receipt of services.

(S. 12(2) and S. 13(2) of the GST model law, 2016)

24. What is the time of supply in case of continuous supply?

Date of invoice or receipt of payment, whichever is earlier.

(S. 13(3) of the GST model law, 2016)

25. If goods are sent on sale on approval basis or sale or return basis, then what will be the time of supply?

Date on which it is known that goods are supplied or 6 months, whichever is earlier. (S. 13(6) of the GST model law, 2016)

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26. What will be the effect of changes in tax rate?

Service provided	Invoice	Payment received	Time of supply
Before	Before	After	Invoice date
Before	After	Before	Payment date
Before	After	After	Invoice date or payment received date whichever is earlier.
After	Before	After	Payment date
After	After	Before	Invoice date
After	Before	Before	Invoice date or payment received date whichever is earlier.

(S. 14 of the GST model law, 2016)

27. How the value of taxable supply is calculated?

	Transaction value
Add:	Expenses incurred by recipient and being reimbursed by the supplier
Add:	Value of supply of goods and/or services at free of charge or at reduced rate
Add:	Any other taxes other than GST
Add:	Incidental Expenses like commission, packing, etc.
Add:	Post supply discount if any

(S. 15 of the GST model law, 2016)

28. Should I pay GST on discounts also?

Any post supply discounts are part of value of goods, hence yes GST has to be charged and paid.

(S. 15(2)(h) of the GST model law, 2016)

No GST on discount if-

a. Allowed before or at the time of supply.
b. Allowed in normal trade practice or under any agreement.
c. Has been duly recorded in the invoice.

(S. 15 (3) of the GST model law, 2016)

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29. Can I take input credit of stock in hand?

Yes, after getting registered under this act.

(S. 16(2) and 16(2A) of the GST model law, 2016)

30. How should I calculate tax credit, if purchased products are partly used for business and partly for other purposes / Exempted supply / Non-taxable supply?

Identify the inputs utilized in the business and specifically for taxable supplies or zero rated supplies and only that portion shall be allowed as credit. (S. 16(5) and 16(6) of the GST model law, 2016)

31. What are the inputs of which tax credit is not allowed?

a. Motor-vehicles (Unless they supplier is in business of transportation of goods/ passenger and training on motor driving skills)
b. Personal use or consumption.
    - Food and beverages, Beauty treatment
    - Cosmetic and plastic surgery, Life insurance
    - Membership of a club
c. If-
    - Acquired by the principal
    - In execution of works contract
    - When such contract results in construction of immovable property.
d. Goods or services on which tax is paid on Lump sum basis.

(S. 16(9) of the GST model law, 2016)

32. Can I take credit of tax paid on capital goods on which I am claiming depreciation on tax component?

No. (S. 16 (10) of the GST model law, 2016)

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33. What are the conditions to claim input tax credit?

- Tax invoice / debit note or other tax paying documents.
- Goods and / or services must be received.
- Tax charged in the invoice is paid to the government.
- Returns are filed.

(S. 16 (11) of the GST model law, 2016)

34. What if I switch over to lump sum?

The credit of tax paid in respect to inputs held in stock shall be paid to the government. (S. 16 (12) of the GST model law, 2016)

35. Is there any period of limitation in taking tax credit?

Yes. Credit cannot be claimed -

- After filing return under Sec. 27 (First return)
- After filling annual return
- After 1 year from the date of tax invoice

(S. 15 (3A) and 15 (15) of the GST model law, 2016)

36. I am already registered under Excise, State VAT or Service tax, should I apply for fresh registration?

Yes, within 30 days. But as per model law,2016, it was proposed that only Input Service Distributor will be required a fresh registration.

(S. 19 (1) of the GST model law, 2016)

37. I have establishments in more than one state, should I take separate registration for each state?

Yes.

(S. 19 (2) of the GST model law, 2016)

38. I have applied for CSGT and SGST. My CGST application is rejected. Will SGST application also be rejected?

Yes, rejected application in one act shall be deem to be rejected in the other act too.

(S. 19 (10) of the GST model law, 2016)

39. Compulsory registration irrespective of turnover limit specified for the followings, namely:

- Persons engaged in Inter-state supply.
- Persons who are required to pay tax under reverse charge.
- Non-residents taxable person.
- Person required to deduct tax under GST.
- Agents who are working on behalf of taxable principal.
- Input service distributor.
- **Every e-commerce operator.**
- A person who is providing multiple services under his brand name.

40. Can I apply for GST registration voluntarily?

Yes with the PAN.

(S. 19 (3) of the GST model law, 2016)

41. I am a casual taxable person, what registration procedures are applied to me?

- Registration for a valid period of 90 days which can be extended for a period not more than 90 days.
- An advance deposits has to be deposited.

(S. 19A of the GST model law, 2016)

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42. What is the time period of filling return under GST?

- 10 days – for outward supplies (Sales details)
  (S. 25 of the GST model law, 2016)
- 15 days – for inward supplies (Purchase details)
  (S. 26 of the GST model law, 2016)
- 20 days - Monthly return (S. 27 of the GST model law, 2016)
- 18 days – Quarterly return for Composition scheme.
  (First proviso to S. 27 of the GST model law, 2016)
- 10 days – Deduct, pay and file TDS returns
  (S. 27 (5) of the GST model law, 2016)
- 13 days – Monthly return for input service distributors
  (S. 27 (6) of the GST model law, 2016)
- 31st December – Annual return filing
  (S. 30 of the GST model law, 2016)
- 15 days – Issue a certificate of tax deduction
  (S. 37(4) of the GST model law, 2016)
- 10 days – TCS deposit and return.
  (S. 43C of the GST model law, 2016)

43. If I have not filed previous tax period returns, can I file current return?

No, first file previous period return.

(Second proviso to S. 27 of the GST model law, 2016)

44. What is the due date for paying the taxes?

Before last date of filing of return(S. 27(2) of the GST model law, 2016)

45. What if I file return without paying my taxes?

It will not be treated as valid return and input tax credit will not be allowed.

(S. 27(3) of the GST model law, 2016)

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46. Can I revise my monthly returns?

Yes, but before-

a. Due date of filing of September or second quarter of the following financial year, or
b. Actual filing of relevant annual return,
Whichever is earlier.

(S. 27 (7) of the GST model law, 2016)

47. When should I file my first return?

a. If paying taxes under in regular form, first return under S. 25 and 26 till the end of month in which registration is granted
b. If paying taxes under composition scheme, first return shall be filed till the end of the quarter in which the registration is granted.

(S. 27A of the GST model law, 2016)

48. What would government do after getting inward and outward data?

The government shall match each inward supply with the outward supply of the supplier. In case of any mismatch, the same shall be communicated.

(S. 28 of the GST model law, 2016)

49. If I want to cancel registration, what should I do?

File a final return within 3 months from the date of cancellation or cancellation order.

(S. 31 of the GST model law, 2016)

Pay GST on assets held in business even if they are not sold.

(Point 4 of Schedule I of the GST model law, 2016)

50. What is the penalty of delay in filing of returns?

Particulars	Per day penalty	Maximum
Non-filing of- • Sales data u/s 25 • Purchase data u/s. 26 • Monthly retun u/s. 27 • Final return u/s. 31	Rs. 100 / day	Rs. 5,000/-
Late filing of annual return u/s. 30	Rs. 100 / day	0.25% of the aggregate turnover.
Non furnishing TDS certificate to the deductee u/s. 37(4)	Rs. 100/ day	

(S. 33 of the GST model law, 2016)

51. How tax can be paid?

- Internet banking
- Credit / debit card
- NEFT / RTGS
- Any other mode

52. How does credit system work under GST?

Order of preference	IGST Credit	CGST Credit	SGST Credit
1st against	IGST	CGST	SGST
2nd against	CGST	IGST	IGST
At last	SGST	-	-

The credit of SGST and CGST are parallel taxes and internal credit is not allowed.

(S. 35(a), (b) and (c) of the GST model law, 2016)

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53. To whom TCS is applicable?

Every e-commerce operator, aggregator shall collect tax from their supplier and deposit it in government.

(S. 43(c) of the GST model law, 2016)

54. What is the penalty for specific offences under GST?

Rs. 10,000/- or tax amount involved in offence whichever is higher.

(S. 66(1) of the GST model law, 2016)

55. Is there any penalty for repeated short payment of tax?

Yes, Rs. 10,000/- or 10% of such short payment of tax amount, whichever is higher.

(S. 67 of the GST model law, 2016)