

Rate of tax under GST on expenses debited to Trading Profit & Loss A/c

Sr. No	Nature of Expense	Rate of Tax	Whether registered supplier will levy tax	Reverse Charge(If supply is unregistered)	Whether Eligible for Input Credit
1	Salaray, wages & bonus paid to employee	0%	No	No	No
2	Electricity bill	0%	No	No	No
3	Water Charges/ Plain Water	0%	No	No	No
4	Bank Interest	0%	No	No	No
5	Professional Tax	0%	No	No	No
6	BMC Tax	0%	No	No	No
7	Building / Property Tax	0%	No	No	No
8	Rent Deposits	0%	No	No	No
9	Other Deposits	0%	No	No	No
10	Petrol / Diesel/ CNG/Kerosene Expenses (Motor Spirit)	0%	No	No	No
11	Liquor Expenses	0%	No	No	No
12	Registration Fees (ROF / ROC / RTO etc)	0%	No	No	No
13	Bad Debt	0%	No	No	No
14	Donation	0%	No	No	No
15	Labour Welfare Contribution to Government	0%	No	No	No
16	Fine & Penalties	0%	No	No	No
17	Conveyance Expense - Non AC Taxi, Auto, Bus, Train	0%	No	No	No
18	Loading & Unloading in relation agricultural produce/ Hamali	0%	No	No	No
19	Rent Paid for residential use	0%	No	No	No
20	Godown Rent for agricultural produce	0%	No	No	No
21	News paper & magazines	0%	No	No	No
22	Remuneration to Director & partners	0%	No	No	No
23	Conveyance Expense - Radio Taxi like OLA & UBER or other AC vechile	5%	Yes	Yes	No
24	Payment to Goods Transport Agency	5%	No	Yes	Yes
25	Travelling in Train by AC or First class	5%	Yes	Yes	No
26	Job Work / Labour Charges for textile yarn & textile fabric	5%	Yes	Yes	Yes
27	Job Work / Labour Charges for diamond , jewellery & precious metal	5%	Yes	Yes	Yes
28	Job Work / Labour Charges for printing of books, journals & periodicals	5%	Yes	Yes	Yes
29	Food & Beverages Expense (Non AC restaurant)	12%	Yes	Yes	No
30	Room Rent in a hotel, lodge (Rs.1000 to 2500 per room per day	12%	Yes	Yes	Yes
31	Fuel (Furnace Oil/LPG)	18%	Yes	Yes	Yes
32	Sales Promotion/Business Promotion	18%	Yes	Yes	Yes
33	Food & Beverages Expense (AC restaurant)	18%	Yes	Yes	No
34	Mineral water	18%	Yes	Yes	Yes
35	Truck/ Tempo Hire Charges	18%	Yes	Yes	Yes
36	Club & Membership fees	18%	Yes	Yes	No
37	Advertisement Charges / Hoarding / Magazine / News Papers / Media	18%	Yes	Yes	Yes
38	AMC Charges	18%	Yes	Yes	Yes
39	Bank Charges - Service charges recovered	18%	Yes	No	Yes
40	Broker Fee & Charges	18%	Yes	Yes	Yes
41	Cancellation Charges	18%	Yes	Yes	Yes
42	Extended Warranty	18%	Yes	Yes	Yes
43	House Keeping Charges	18%	Yes	Yes	Yes
44	Insurance paid on goods & vechile	18%	Yes	Yes	Yes
45	Health Insurance	18%	Yes	No	No
46	Payment to advocate	18%	No	Yes	Yes
47	Loading & Unloading - others/ Hamali	18%	Yes	Yes	Yes
48	Training Expense	18%	Yes	Yes	Yes
49	Payment to Post office for Speed post & parcel post	18%	No	Yes	Yes
50	Postage and Courier Charges	18%	Yes	Yes	Yes
51	Printing & Stationery (Flex Printing, Broad Printing, Notice Printing)	18%	Yes	Yes	Yes
52	Recruitment Expenses	18%	Yes	Yes	Yes
53	Commission Paid	18%	Yes	Yes	Yes
54	Rent Paid for commercial use of premises	18%	Yes	Yes	Yes
55	Godown Rent for commercial purpose	18%	Yes	Yes	Yes
56	Repair and Maintenance - Building/ Electrical/ P&M / Others	18%	Yes	Yes	Refer Note 1
57	Room Rent in a hotel, lodge (Rs.2500 to 7500 per room per day	18%	Yes	Yes	Yes
58	Payment for Sponsorship Services	18%	Yes	Yes	No

59	Security Charges	18%	Yes	Yes	Yes
60	Telephone, Mobile & internet Charges	18%	Yes	No	Refer Note 2
61	Sundry Expenses	18%	Yes	Yes	Yes
62	Job Work / Labour Charges for garment processing	18%	Yes	Yes	Yes
63	Job Work / Labour Charges (Other)	18%	Yes	Yes	Yes
64	Sitting Fees, Commission or any other payment made to director by company	18%	Yes	Yes	Yes
65	Audit Fees, Account Writing , Professional Fees (other than Advocate)	18%	Yes	Yes	Yes
66	Research & Development Expenses	18%	Yes	Yes	Yes
67	Food & Beverages Expense (AC restaurant)	28%	Yes	Yes	No
68	Wall Paint	28%	Yes	Yes	No
69	Room Rent in a hotel, lodge Above Rs.7500/-	28%	Yes	Yes	Yes
70	Travelling Expenses International	28%	Yes	Yes	No
71	Amusement Park/ Theatre Ticket	28%	Yes	Yes	Yes
72	Cold drink	40%	Yes	Yes	No
73	Repairs & maintainance Charges if it has not resulted into immovable property	18% / 28%	Yes	Yes	Yes
74	Electrical Fittings	18% / 28%	Yes	Yes	No
75	Staff Uniform Expenses	5% / 12%	Yes	Yes	Yes
76	Packing material & Packing Charges	5% / 12% 18%	Yes	Yes	Yes
77	Plant & Machinery	Actual Rate	Yes	Yes	Refer Note 3
78	Furniture & Fixture	Actual Rate	Yes	Yes	Refer Note 3
79	Motor Car	Actual Rate	Yes	Yes	No
80	Building	Actual Rate	Yes	Yes	No
81	Office Equipment including Computer, Software & Hardware	Actual Rate	Yes	Yes	Refer Note 3
82	Free Gift given to staff (Exempt upto Rs.50000/- per staff p.a)	Applicable Rate	Yes	Yes	No
83	Free Gift given to staff (Above Rs.50000/- per staff p.a)	Applicable Rate	Yes	Yes	Yes
84	Divali/ New year Gift purchased & debited to P & L	Applicable Rate	Yes	Yes	Yes

Notes:

- 1) If repair & maintainance expenses resulted into immovable property than input credit is not available
- 2) If Telephone, Mobile & Internet bill is in the name of the company and adress and place of business is mentioned then only one should claim the input credit
- 3) Input credit is available fully. However if it is sold/disposed off/ scrapped/ thrown away within 5 years, then input credit @ 5% per quarter is available for the used period and balance is to be reversed for not used fully at the time of date of sale.
- 4) Input credit is available only if goods & services are used for business. If good or services are used for personal purpose then input credit is not available. If goods & services are used partially for personal use and partially for business use then input credit is available partly in proportion to business use.
- 5) Input credit is not available if outward supply of goods or services is exempt from payment of tax.
- 6) As per Notification No 8/2017 dated 28/06/17, it is provided that if the aggregate value of goods or services or both debited to Trading A/c or expenses debited to Profit & Loss A/c or purchase of any asset obtained from unregistered suppliers is less than Rs.5000/- in a day, then tax is not required to be paid for such inward supplies by the receiptent for that particular day.
- 7) Details of all purchase of goods or services debited to Trading A/c or purchase of any fixed asset are required to be submitted in GST return whether purchased from registered person or unregistered person or from composition dealer.
- 8) However, if any expense items are purchased from unregistered supplier & escape the payment of tax in view of Notification No.8/2017 dated 28/06/17 then same are not required to be submitted in GST return.