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

Rajesh R Tanvani

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 / Disel/ 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 Goverment	0%	No	No	No
16	Fine & Penalities	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) Inpur 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 Notifcation No.8/2017 dated 28/06/17 then same are not required to be submitted in GST return.