213th Issue: 03rd Mar 2019 - 09th Mar 2019

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INCOME TAX

CUSTOMS

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EDITORIAL

Friends,

The GST held its 33rd meet on 24th February 2019, to discuss, primarily, the real estate taxation. To boost the residential segment of the real estate sector, following recommendations were made by the Council

- Effective GST of 5% without ITC shall be levied on residential properties outside affordable segment
- Effective GST of 1% without ITC shall be levied on on affordable housing properties.
- The new rates shall become applicable from 1st of April, 2019.
- **Affordable housing** shall be a residential house/flat of carpet area of upto 90 sqm in non-metropolitan cities/towns and 60 sqm in metropolitan cities having value upto ₹ 45 lacs (both for metropolitan and non metropolitan cities). Metropolitan Cities are Bengaluru, Chennai, Delhi NCR (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon, Faridabad), Hyderabad, Kolkata and Mumbai (whole of MMR).
- Intermediate tax on development right, such as TDR, JDA, lease (premium), FSI shall be exempted only for such residential property on which GST is payable.

The following advantages were taken into consideration

- The buyer gets a fair price and affordable housing gets very attractive with GST @ 1%.
- Interest of the buyer/consumer gets protected; ITC benefits not being passed to them shall become a non-issue.
- Cash flow problem for the sector is addressed by exemption n of GST on development rights, long term lease (premium), FSI etc.
- Unutilized ITC, which used to become cost at the end of the project gets removed and should lead to better pricing.
- Tax structure and compliance becomes simpler for builders.

In Income Tax, Joint Secretary (PMAY), Ministry of Housing and Urban Affairs and Nodal Officer, Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) of all State Governments and Union Territories have been specified for the purposes of the Section 138(1)(a)(ii).

In Customs, increased customs duty on specified imports from USA has been postponed from 2nd March, 2019 to 1st April, 2019.

We do hope that this bulletin adds value to your professional sphere.

Just to reiterate that we remain available over telecom or e-mail.

Truly Yours

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SYNOPSIS

TAX CALENDAR

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Due date	Form	Description
7th March 2019	Income Tax Form: ITNS – 281	Due date for deposit of Tax deducted/collected for the month of February, 2019

ARTICLE

GST: CGST/IGST/SGST/UTGST

NOTIFICATIONS/CIRCULARS

CLARIFICATION REGARDING TAX PAYMENT MADE FOR SUPPLY OF WAREHOUSED GOODS WHILE BEING DEPOSITED IN A CUSTOMS BONDED WAREHOUSE FOR THE PERIOD JULY, 2017 TO MARCH, 2018

OUR COMMENTS: In Circular No. 3/1/2018-IGST dated 25.05.2018 it was clarified that from 1st of April, 2018 the supply of warehoused goods before their clearance from the warehouse would not be subject to the levy of integrated tax.

However, during the period from 1st of July, 2017 to 31st of March, 2018, the common portal did not have the facility to enable the taxpayer to report payment of integrated tax, in the details required to be submitted in FORM GSTR-1 for such supplies.

Hence, taxpayers making such supplies reported such supplies as intra-State supplies and discharged central tax and state tax instead of integrated tax accordingly.

Now, The Dept. of Revenue, Ministry of Finance, Government of India **vide Circular No. 91/10/2019-GST dated 18.02.2019,** in order to ensure uniformity in the implementation of law has clarified that such supplies had the character of inter-State supply. But, due to non-availability of the required facility on the common portal, has decided that, as a one-time exception, suppliers who have paid central tax and state tax on such supplies, during the said period, would be deemed to have complied with the provisions of law as far as payment of tax on such supplies is concerned as long as the amount of tax paid as central tax and state tax is equal to the due amount of integrated tax on such supplies.

REAL STATE GST RATES AS RECOMMENDED IN THE 33RD GST COUNCIL MEETING

OUR COMMENTS: Post slowdown in the real estate sector and low off-take of under-construction houses, following recommendations were made by the GST Council in its 33rd meeting to boost the sector which is one of the largest contributors to the national GDP and provides employment opportunity to large numbers of people.

- Effective GST of 5% without ITC shall be levied on residential properties outside affordable segment
- Effective GST of 1% without ITC shall be levied on on affordable housing properties.
- The new rates shall become applicable from 1st of April, 2019.
- Intermediate tax on development right, such as TDR, JDA, lease (premium), FSI shall be exempted only for such residential property on which GST is payable.

INCOME TAXES

NOTIFICATIONS/CIRCULARS

JOINT SECRETARY (PMAY), MINISTRY OF HOUSING AND URBAN AFFAIRS SPECIFIED U/S138(1)

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 11/2019 dated 21.02.2019** has specifies Joint Secretary (PMAY), Ministry of Housing and Urban Affairs, Government of India, for purposes of the Section 138(1)(a)(ii).

EXTENSION OF DUE DATE FOR FILING OF ITRS/AUDIT REPORT FOR THE A.Y. 2018-19 OF KERALA

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **F. No. 225/15/2019/ITA.lls dated 27.02.2019** to mitigate the difficulties faced by the taxpayers in Kerala has directed that for the taxpayers of Kerala for whom the due date for filing income tax return and audit report for AY 2018-19 was 31.10.18, the returns and reports filed till 28.02.19 shall be deemed to have been filed by 31.10.18.

Further, returns filed between 01.10.18 to 31.10.18 for which the due date was 31.10.18, shall not be liable to levy of interest as per provisions of section 234A of the Act.

The already processed returns would be rectified by the CIT-CPC, Bengaluru or the concerned jurisdictional income-tax authority as mentioned above.

NODAL OFFICER, PRADHAN MANTRI KISAN SAMMAN NIDHI (PM-KISAN) OF ALL STATE GOVERNMENTS AND UNION TERRITORIES SPECIFIED U/S138(1)

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 12/2019 dated 27.02.2019** has specifies Nodal Officer, Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) of all State Governments and Union Territories, for purposes of the Section 138(1)(a)(ii).

EXTENSION OF TERM OF TASK FORCE FOR DRAFTING NEW DIRECT TAX LEGISLATION

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **F. No. 370149/230/2017 dated 28.02.2019 extended the term of** Task Force constituted to draft a new direct tax law in consonance with economic needs of the country, vide Office Order of even number dated 22.11 . 2017 by three months from 28.02.2019 to 31.05.2019.

CUSTOMS

NOTIFICATIONS/CIRCULARS

POSTPONEMENT OF INCREASED CUSTOMS DUTY ON SPECIFIED IMPORTS FROM USA FROM 2ND MARCH, 2019 TO 1ST APRIL, 2019

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 06/2019 – Customs dated 26.02.2019 has** amended notification No. 50/2017-customs dated 30th June 2017 and postponed the implementation of increased customs duty on specified imports originating in USA from 2nd March, 2019 to 1st April, 2019.

SEA CARGO MANIFEST AND TRANSHIPMENT (AMENDMENT) REGULATIONS, 2019

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 17/2019-Customs (N.T.) dated 27.02.2019** has declared that Sea Cargo Manifest and Transhipment (Amendment) Regulations, 2019 shall be effective from 01.08.2019.

AMENDMENTS TO THE ALL INDUSTRY RATES OF DUTY DRAWBACK EFFECTIVE FROM 20.02.2019

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 12/2019-Customs (N.T.) dated 16.02.2019 have made various amendments to the** revised All Industry Rates (AIRs) of Duty Drawback implemented vide notification no. 95/2018-Cus (N.T.) dated 06.12.2018 that came into effect from 19.12.2018. These changes are effective from 20.02.2019.

The readers may refer the aforesaid notification and Circular No 5/2019-Customs dated 20.02.2019 for further details.

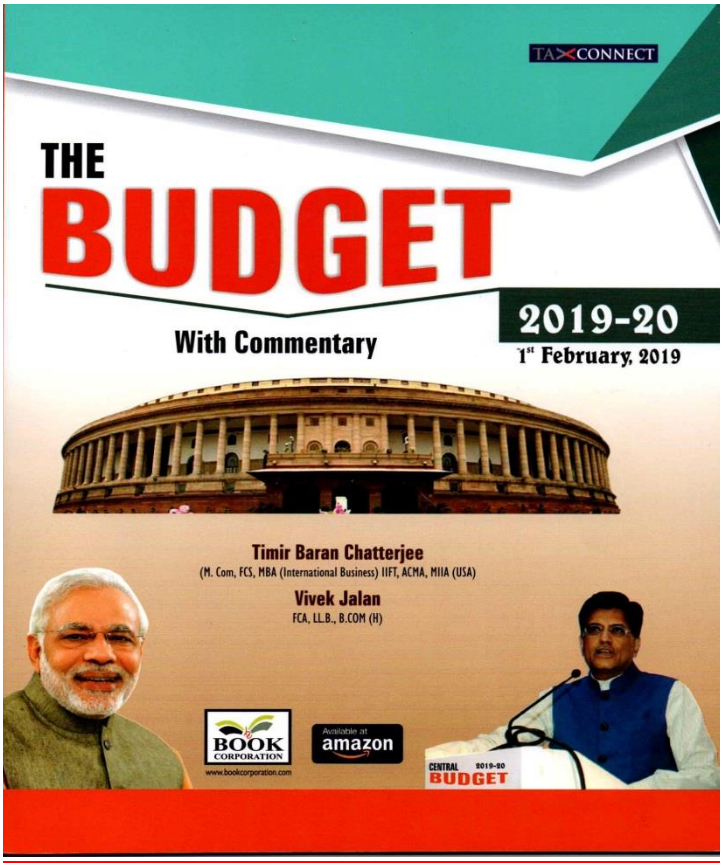
RESCINDING BOARD CIRCULAR NO. 132/95 ON WAREHOUSING-GRANT OF IN-BOND MANUFACTURE FACILITY U/S 65

OUR COMMENTS: Board vide **Circular No. 35/2016-Customs dated 29th July, 2016** removed the mandatory warehousing requirements for EOUs, STPIs, EHTPs etc. and clarified that all these units shall stand delicensed as warehouses under Customs Act, 1962, w.e.f. 13th August, 2016. Therefore, section 65 of the Customs Act, is no longer applicable to EOUs, STPIs, EHTPs etc.

Hence, the Dept. of Revenue, Ministry of Finance, Government of India vide **Circular No. 06/ 2019-Customs dated 20.02.2019 has rescinded** Circular-132/95-Customs dated 22nd December, 1995 to avoid any misinterpretation.

IN STANDS

THE BUDGET 2019-20 WITH COMMENTARY



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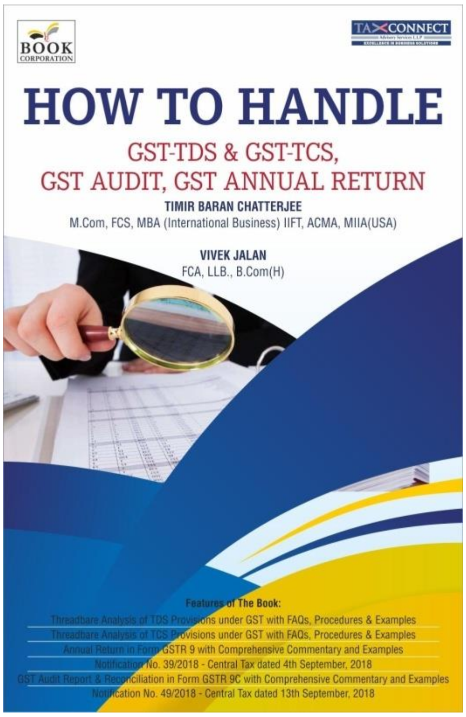
IN STANDS

HOW TO HANDLE GST-TDS & GST-TCS, GST AUDIT, GST ANNUAL RETURN



ABOUT THE BOOK: This book provides an insight into the following:

1. **Threadbare Analysis of TDS Provisions under GST with FAQs, Procedures & Examples**
2. **Threadbare Analysis of TCS Provisions under GST with FAQs, Procedures & Examples**
3. **Annual Return in Form GSTR 9 with Comprehensive Commentary and Examples**
4. **Notification No. 39/2018 – Central Tax dated 4th September, 2018**
5. **GST Audit Report & reconciliation in Form GSTR 9C with Comprehensive Commentary and Examples**
6. **Notification No. 49/2018 – Central Tax dated 13th September, 2018**

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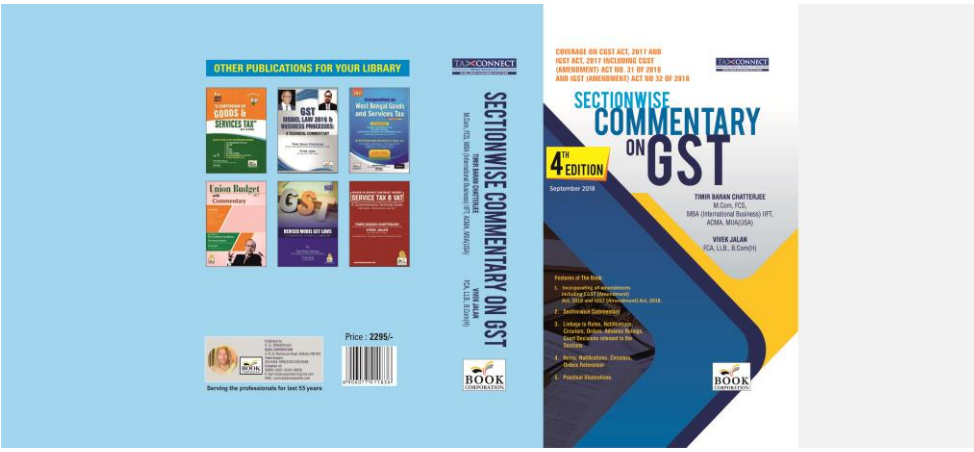
IN STANDS

SECTION WISE COMMENTARY ON GST UPDATED TILL DATE



ABOUT THE BOOK: This book provides an insight into the following:

1. **Incorporating all amendments**
2. **Section wise commentary**
3. **Linkages to Rules, Notifications, Circulars, Orders, Advance Rulings, Court Decisions relevant to the Sections**
4. **Rules, Notifications, Circulars, Orders Referencer**
5. **Practical Illustrations**

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