ALL ABOUT TAXES

[Welcome to Taxation World]

NEWS LETTER | APRIL 2019

Monthly Guide to Taxation News, Information and events

[CA MANOJ GUPTA]

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NEW GST TAXATION FOR REAL ESTATE -SUMMARY OF 33RD & 34TH GST COUNCIL RECOMMENDATIONS

Introduction

At present, GST is levied at 12 per cent (8 per cent in case of affordable housing properties) with Input tax credit (ITC) on payments made for under-construction property or ready-to-move-in flats where completion certificate has not been issued at the time of sale. However, GST is not levied on buyers of real estate properties for which completion certificate has been issued at the time of sale.

One of the primary issues that is builders are facing that the balance ITC remains unutilized due to the high tax rate on cement and other raw materials. ITC is more when compared to tax liability. Hence, there attracts a need for applying GST refund -a process which is yet to stabilize.

On the other hand, Honourable Finance Minister, Shri Arun Jaitley, in his press conference stated that the builders have not passed on the benefits of input tax credit accrued to them due to implementation of GST. Therefore, the GST Council intends to block the credit available to them with a reduced GST rate on Real estate sector.

Press note on recommendations of the 33rd GST Council meeting held on 24th February, 2019

Real estate sector is one of the largest contributors to the national GDP and provides employment opportunity to large numbers of people. "Housing for All by 2022" envisions that every citizen would have a house and the urban areas would be free of slums. There are reports of slowdown in the sector and low off-take of under-construction houses which needs to be addressed. To boost the residential segment of the real estate sector, following recommendations were made by the GST Council in its 33rd meeting held today:

2. GST rate:

I. GST shall be levied at effective GST rate of 5% **without ITC** on residential properties outside affordable segment;

II. GST shall be levied at effective GST of 1% **without ITC** on affordable housing properties.

3. Effective date:

The new rate shall become applicable from 1st of April, 2019.

4. Definition of affordable housing shall be:

A residential house/flat of carpet area of up to 90 sqm in non-metropolitan cities/towns and 60 sqm in metropolitan cities having value up to Rs. 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).

5. GST exemption on TDR/ JDA, long term lease (premium), FSI: 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.

6. Details of the scheme shall be worked out by an officers committee and shall be approved by the GST Council in a meeting to be called specifically for this purpose.

7. Advantages of the recommendations made:

The new tax rate in principle was approved by the Council taking into consideration the following advantages: -

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

8. GST Council decided that the issue of tax rate on lottery needs further discussion in the GOM constituted in this regard.

The decisions of the GST Council have been presented in this note in simple language for easy understanding. The same would be given effect to through Gazette notifications/ circulars which alone shall have force of law.

The GST Council, on March 19, 2019, approved a transition plan for the implementation of the new tax structure for housing units. As per the plan, builders will be allowed to choose between the old tax rates and the new ones for under-construction residential projects, to help resolve input tax credit (ITC) issues.

As per the decision taken by the GST Council, the developers of residential projects which are incomplete as on March 31, 2019, will have the option either to choose the old structure with ITC or to shift to the new 5% and 1% rates, without ITC. Builders will get a one-time option to continue paying tax at the old rates (effective rate of 8% or 12% with ITC) on ongoing projects (buildings where construction and actual booking have both started before April 1, 2019, but which will not be completed by March 31, 2019). The new tax rate of 1% for affordable houses and 5% for others, without ITC, will apply on new projects.

Decisions taken by the GST Council in the 34th meeting held on 19th March, 2019 regarding GST rate on real estate sector

GST Council in the 34th meeting held on 19th March, 2019 at New Delhi discussed the operational details for implementation of the recommendations made by the council in its 33rd meeting for lower effective GST rate of 1% in case of affordable houses and 5% on construction of houses other than affordable house. The council decided the modalities of the transition as follows.

Option in respect of ongoing projects:

2. The promoters shall be given a one -time option to continue to pay tax at the old rates (effective rate of 8% or 12% with ITC) on ongoing projects (buildings where construction and actual booking have both started before 01.04.2019) which have not been completed by 31.03.2019.

3. The option shall be exercised once within a prescribed time frame and where the option is not exercised within the prescribed time limit, new rates shall apply.

New tax rates:

4. The new tax rates which shall be applicable to new projects or ongoing projects which have exercised the above option to pay tax in the new regime are as follows.

(i) New rate of 1% without input tax credit (ITC) on construction of affordable houses shall be available for,

(a) all houses which meet the definition of affordable houses as decided by GSTC (area 60 sqm in metros / 90 sqm in non- metros and value up to RS. 45 lakhs), and

(b) affordable houses being constructed in ongoing projects under the existing central and state housing schemes presently eligible for concessional rate of 8% GST (after 1/3rd land abatement).

(ii) New rate of 5% without input tax credit shall be applicable on construction of, -

(a) all houses other than affordable houses in ongoing projects whether booked prior to or after 01.04.2019. In case of houses booked prior to 01.04.2019, new rate shall be available on instalments payable on or after 01.04.2019.

(b) all houses other than affordable houses in new projects.

(c) commercial apartments such as shops, offices etc. in a residential real estate project (RREP) in which the carpet area of commercial apartments is not more than 15% of total carpet area of all apartments.

Conditions for the new tax rates:

5. The new tax rates of 1% (on construction of affordable) and 5% (on other than affordable houses) shall be available subject to following conditions, -

(a) Input tax credit shall not be available,

(b) 80% of inputs and input services (other than capital goods, TDR/ JDA, FSI, long term lease (premiums)) shall be purchased from registered persons. On shortfall of purchases from 80%, tax shall be paid by the builder @ 18% on RCM basis. However, Tax on cement purchased from unregistered person shall be paid @ 28% under RCM, and on capital goods under RCM at applicable rates.

Transition for ongoing projects opting for the new tax rate:

6.1 Ongoing projects (buildings where construction and booking both had started before 01.04.2019) and have not been completed by 31.03.2019 opting for new tax rates shall transition the ITC as per the prescribed method.

6.2 The transition formula approved by the GST Council, for residential projects (refer to para 4(ii)) extrapolates ITC taken for percentage completion of construction as on 01.04.2019 to arrive at ITC for the entire project. Then based on percentage booking of flats and percentage invoicing, ITC eligibility is determined. Thus, transition would thus be on pro-rata basis based on a simple formula such that credit in proportion to booking of the flat and invoicing done for the booked flat is available subject to a few safeguards.

6.3 For a mixed project transition shall also allow ITC on pro-rata basis in proportion to carpet area of the commercial portion in the ongoing projects (on which tax will be payable @ 12% with ITC even after 1.4.2019) to the total carpet area of the project.

Treatment of TDR/ FSI and Long term lease for projects commencing after 01.04.2019

7. The following treatment shall apply to TDR/ FSI and Long term lease for projects commencing after 01.04.2019.

7.1 Supply of TDR, FSI, long term lease (premium) of land by a landowner to a developer shall be exempted subject to the condition that the constructed flats are sold before issuance of completion certificate and tax is paid on them. Exemption of TDR, FSI, long term lease (premium) shall be withdrawn in case of flats sold after issue of completion certificate, but such withdrawal shall be limited to 1% of value in case of affordable houses and 5% of value in case of other than affordable houses. This will achieve a fair degree of taxation parity between under construction and ready to ove property.

7.2 The liability to pay tax on TDR, FSI, long term lease (premium) shall be shifted from land owner to builder under the reverse charge mechanism (RCM).

7.3 The date on which builder shall be liable to pay tax on TDR, FSI, long term lease (premium) of land under RCM in respect of flats sold after completion certificate is being shifted to date of issue of completion certificate.

7.4 The liability of builder to pay tax on construction of houses given to land owner in a JDA is also being shifted to the date of completion. Decisions from para 7.1 to 7.4 are expected to address the problem of cash flow in the sector.

Amendment to ITC rules:

8. ITC rules shall be amended to bring greater clarity on monthly and final determination of ITC and reversal thereof in real estate projects. The change would clearly provide procedure for availing input tax credit in relation to commercial units as such units would continue to be eligible for input tax credit in a mixed project.

9. The decisions of the GST Council have been presented in this note in simple language for easy understanding. The same would be given effect to through Gazette notifications/ circulars which alone shall have force of law.

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ANALYSIS OF INCREASE IN GST REGISTERATION LIMIT FROM 20 LACS TO 40 LACS

Introduction

Before 1st April, 2019, Every supplier was required to get registered under GST Law in the State from where he makes the taxable supply of goods or services or both if his aggregate turnover exceed Rs. 20 Lacs (Rs. 10 Lacs in case of Special Category States). However, certain categories are required to get registered **mandatorily** irrespective of the thresholds under Section 24 of Central Goods and Service Tax Act, 2017.

GST Council in its 32nd Meeting increased the said limit of Rs. 20 Lacs to Rs. 40 Lacs which was expected to help small taxpayers go out of the tax net, related compliances and costs.

However, this limit has come with far too many complications, as explained below, and a small businessman will have to take help of a tax expert before deciding whether to avail this exemption limit or continue to be in GST regime.

NOTIFICATION NO. 10/2019-CENTAL TAX

1. The Central Government, on the recommendations of the Council, hereby specifies the following category of persons, as the category of persons exempt from obtaining registration under the said Act, namely, -

Any person, who is engaged in **exclusive supply of goods** and whose **aggregate turnover** **in the financial year** does not exceed forty lakh rupees, **except**, -

a) persons required to take compulsory registration under section 24 of the said Act;

b) persons engaged in making supplies of the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table;

S. No.	Tariff item, sub-heading, heading or Chapter	Description
(1)	(2)	(3)
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20	Pan masala
3	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

c) persons engaged in making intra-State supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand; and

d) persons exercising option under the provisions of sub-section (3) of section 25, or such registered persons who intend to continue with their registration under the said Act.

2. This notification shall come into force on the 1st day of April, 2019.

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HOW TO CALCULATE AGGREGATE TURNOVER

The Aggregate Turnover shall be calculated as under:

a. Value of All Taxable Supplies, exempt supplies, export of goods or services or both and inter-state supplies.

b. Turnover of all the entities of a person under same PAN on All India basis,

c. Aggregate Turnover shall not include any central tax, state tax, union territory tax and integrated tax and cess.

d. Aggregate turnover shall not include value of inward supplies on which tax is liable to be paid on Reverse Charge Basis.

Aggregate turnover includes all kind of supply whether taxable or non-taxable, exempted or nil rated, under same pan on all India basis and includes all taxes other than central tax, state tax, union territory tax, integrated tax and cess under Goods and Service Tax Law.

Comment: The said limit of Rs. 40 Lacs is not available for the service providers as the same is available only in case of supply of goods but on the other hand from the reading of above notification the question arises in the mind is that what is the intention of law makers behind the word "**EXCLUSIVE**" supply of goods.

For example, a trader who is engaged in supply of goods and having interest income on fixed deposit will be eligible or not for the limit of Rs. 40 Lacs as the interest is an exempt supply under GST Law and defined as "SERVICE". Now the trader is not exclusively engaged in supply of goods as there is supply of service which is exempt in the nature. Same situation will be there if the trader is having rental income on residential property which is given on rent for residential purpose, the same is supply of service which is exempt in the nature.

2. According to the above notification, the aggregate turnover should not exceed Rs. 40 Lakh **in the financial year**. Whether it is previous financial year or current financial year, notification is silent in this regard.

There is need of clarification from CBIC on these issues otherwise; practically this notification will not give any relief to small tax payers.

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COMPOSITION SCHEME FOR SERVICE PROVIDERS UNDER GST LAW

Introduction

Composition Scheme is a simple and easy scheme under GST for taxpayers. Small taxpayers can get rid of tedious GST formalities and pay GST at a fixed rate of turnover.

The Composition levy scheme is a very simple, hassle free compliance scheme for small taxpayers. It is a voluntary and optional scheme.

Benefits of composition scheme:

- Easy compliance as no elaborate accounts and records to be maintained
- Simple Quarterly Return
- Quarterly payment of tax

Provisions related to composition levy have been provided under section 10 of the Central GST Act, 2017 and Chapter 2 of the CGST Rules, 2017. Under this scheme, a registered taxable person, whose aggregate turnover does not exceed rupees **One crores** * (Rs. 75 lakhs for special category States except J & K and Uttrakhand) in the previous financial year may opt for this scheme.

* The limit of Rs. One Crores has been increased to Rs. One Crore Fifty Lakh Rupees w.e.f. 1st April, 2019 by notification number 14/2019-Central Tax dated 07th March, 2019.

Initially, Composition Scheme was available only in case of Trader, Manufacturer, or a Supplier of services providing restaurant related services. A supplier of services other than restaurant related services was not eligible for composition scheme under section 10 of CGST Act, 2017.

However, with the introduction of CGST Amendment Act, 2018, a composition dealer can also supply services to an extent of ten percent of turnover, or Rs.5 lakhs, **whichever is higher.** This amendment was applicable from the 1st of Feb, 2019. But still this amendment makes **the traders, manufacturers and suppliers of services provided restaurant related services** who opts composition scheme to supply services to an extent of 10% or Rs. 5, 00,000 whichever is higher. A person who is supply services other than restaurant related services was not eligible for composition scheme even after CGST Amendment Act, 2018

Further, GST Council in its 32nd meeting proposed an increase to this limit for service providers on 10th Jan 2019. A service provider other than a supplier of restaurant related services is eligible for composition scheme whose aggregate turnover in preceding financial year was up to fifty lakh rupees.

However, such service provider can opt such scheme from the financial year 2019-20. Notification in this regard has been issued as discussed below which is applicable from 01st April 2019.

NOTIFICATION NO 02/2019-CENTAL TAX RATE (7TH MARCH, 2019)

1. The Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby notifies that the central tax, on the intra-State supply of goods or services or both as specified in column (1) of the Table below, shall be levied at the rate specified in the corresponding entry in column (2), subject to the conditions as specified in the corresponding entry in column (3) of the said table below, namely: -

Description of Supply

First supplies of goods or services or both up to an aggregate turnover of fifty lakh rupees made on or after the 1st day of April in any financial year, by a registered person

Rate (Percent) – 3%

Conditions

1. Supplies are made by a registered person, -

(i) whose aggregate turnover in the preceding financial year was fifty lakh rupees or below;

(ii) who is not eligible to pay tax under sub-section (1) of section 10 of the said Act;

(iii) who is not engaged in making any supply which is not leviable to tax under the said Act;

(iv) who is not engaged in making any inter-State outward supply;

(v) who is neither a casual taxable person nor a non-resident taxable person;

(vi) who is not engaged in making any supply through an electronic commerce operator who is required to collect tax at source under section 52; and

(vii) who is not engaged in making supplies of the goods, the description of which is specified in column (3) of the Annexure below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said annexure.

2. Where more than one registered persons are having the same Permanent Account Number, issued under the Income Tax Act, 1961(43 of 1961),

central tax on supplies by all such registered persons is paid at the rate specified in column (2) under this notification.

3. The registered person shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.

4. The registered person shall issue, instead of tax invoice, a bill of supply as referred to in clause (c) of sub-section (3) of section 31 of the said Act with particulars as prescribed in rule 49 of Central Goods and Services Tax Rules.

5. The registered person shall mention the following words at the top of the bill of supply, namely: - 'taxable person paying tax in terms of notification No. 2/2019-Central Tax (Rate) dated 07.03.2019, not eligible to collect tax on supplies'.

6. The registered person opting to pay central tax at the rate of three percent under this notification shall be liable to pay central tax at the rate of three percent on all outward supplies specified in column (1) notwithstanding any other notification issued under sub-section (1) of section 9 or under section 11 of said Act.

7. The registered person opting to pay central tax at the rate of three percent under this notification shall be liable to pay central tax on inward supplies on which he is liable to pay tax under sub-section (3) or, as the case may be, under sub-section (4) of section 9 of said Act at the applicable rates.

Explanation.-For the purposes of this notification, the expression "first supplies of goods or services or both" shall, for the purposes of determining eligibility of a person to pay tax under this notification, include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the said Act but for the purpose of determination of tax payable under this notification shall not include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the Act.

Annexure

Sl. No.	Tariff item, sub-heading, heading or Chapter	Description
(1)	(2)	(3)
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20	Pan masala
3	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

2. In computing aggregate turnover in order to determine eligibility of a registered person to pay central tax at the rate of three percent under this notification, value of supply of exempt services by way of

extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, shall not be taken into account.

3. Explanation. –For the purpose of this notification, -

(i) “tariff item”, “sub-heading”, “heading” and “chapter” shall mean respectively a tariff item, sub-heading, heading and chapters specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(ii) the rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

4. This notification shall come into force on the 1st day of April, 2019.

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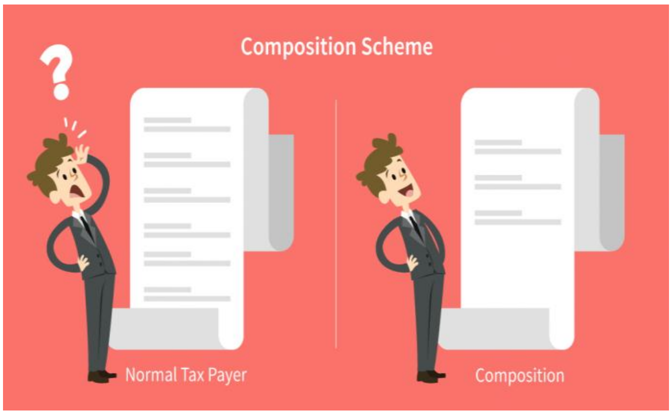
INCREASE IN GST COMPOSITION LIMIT FROM 1 CRORE TO 1.50 CRORE



Introduction

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The Composition levy scheme is a very simple, hassle free compliance scheme for small taxpayers. It is a voluntary and optional scheme.

Benefits of composition scheme:

- Easy compliance as no elaborate accounts and records to be maintained
- Simple Quarterly Return
- Quarterly payment of tax

Provisions related to composition levy have been provided under section 10 of the Central GST Act, 2017 and Chapter 2 of the CGST Rules, 2017. Under this scheme, a registered taxable person, whose aggregate turnover does not exceed rupees **One crores** * (Rs. 75 lakhs for special category States except J & K and Uttrakhand) in the previous financial year may opt for this scheme.

The said limit of Rs. One Crores has been increased to Rs. One Crore Fifty Lakh Rupees w.e.f. 1st April, 2019 by notification number 14/2019-Central Tax dated 07th March, 2019.

NOTIFICATION NO 14/2019-CENTAL TAX

1. The Central Government, on the recommendations of the Council, hereby specifies that an eligible registered person, whose aggregate turnover in the preceding financial year did not exceed one crore and fifty lakh rupees, may opt to pay, in lieu of the tax payable by him under sub-section (1) of section 9 of the said Act, an amount of tax as prescribed under rule 7 of the Central Goods and Services Tax Rules, 2017: persons required to take compulsory registration under section 24 of the said Act;

Provided that the said aggregate turnover in the preceding financial year shall be seventy-five lakh rupees in the case of an eligible registered person, registered under section 25 of the said Act, in any of the following States, namely: –

(i) Arunachal Pradesh,
(ii) Manipur,
(iii) Meghalaya,
(iv) Mizoram,
(v) Nagaland,
(vi) Sikkim,

(vii) Tripura,
(viii) Uttarakhand:

Provided further that the registered person shall not be eligible to opt for composition levy under sub-section (1) of section 10 of the said Act if such person is a manufacturer of the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, namely: -

Sl. No.	**Tariff item, sub-heading, heading or Chapter**	**Description**
(1)	(2)	(3)
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20	Pan masala
3	24	All goods, i.e. Tobacco and manufactured tobacco substitutes

***Explanation* –**

(i) In this Table, "tariff item", "sub-heading", "heading" and "chapter" shall mean respectively a tariff item, sub-heading, heading and chapters as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(ii) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force on the 1st day of April, 2019.

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DUE DATES OF GSTR-1 AND GSTR-3B SPECIFIED FOR THE PERIOD FROM APRIL 2019 TO JUNE 2019.

Introduction

GST Council in its 27th meeting held on 4th May, 2018 had approved the basic principles of New GST return design for simplification of GST Return filing for tax payers.

In its 28th meeting held on 21st July, 2018, GST Council approved the key features and new format of the GST returns.

However, the specification of due dates of GSTR-3B and GSTR-1 for the period from April 2019 to June 2019 clears that the taxpayers have to wait for New GST Returns at least for June 2019.

NOTIFICATION NO 11/2019-CENTAL TAX (7TH MARCH, 2019)

1. The Central Government, on the recommendations of the Council, hereby notifies the registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year, as the class of registered persons, who shall follow the special procedure as mentioned below for furnishing the details of outward supply of goods or services or both.

2. The said registered persons shall furnish the details of outward supply of goods or services or both in **FORM GSTR-1** under the Central Goods and Services Tax Rules, 2017, effected during the quarter as specified in column (2) of the Table below till the time period as specified in the corresponding entry in column (3) of the said Table, namely: -

Sl. No.	Quarter for which details in FORM GSTR-1 are furnished	Time period for furnishing details in FORM GSTR-1
(1)	(2)	(3)
1	April –June, 2019	31st July, 2019.

3. The time limit for furnishing the details or return, as the case may be, under sub-section (2) of section 38 and sub-section (1) of section 39 of the said Act, for the months of July, 2017 to June, 2019 shall be subsequently notified in the Official Gazette.

NOTIFICATION NO 12/2019-CENTAL TAX (7TH MARCH, 2019)

1. The Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing the details of outward supplies in FORM GSTR-1 under the Central Goods and Services Tax Rules, 2017, by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from April, 2019 to June, 2019 till the eleventh day of the month succeeding such month.

2. The time limit for furnishing the details or return, as the case may be, under sub-section (2) of section 38 and sub-section (1) of section 39 of the said Act, for the months of July, 2017 to June, 2019 shall be subsequently notified in the Official Gazette.

NOTIFICATION NO 13/2019-CENTAL TAX (7TH MARCH, 2019)

1. The Commissioner, on the recommendations of the Council, hereby specifies that the return in FORM GSTR-3B of the said rules for each of the months from April, 2019 to June, 2019, shall be furnished electronically through the common portal, on or before the twentieth day of the month succeeding such month.

2. **Payment of taxes for discharge of tax liability as per FORM GSTR-3B.–** Every registered person furnishing the return in FORM GSTR-3B of the said rules shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as specified in the first paragraph, on which he is required to furnish the said return.

Summary

S. No.	Type of Form	Quarter/Month for which details is to be furnished	Time period for furnishing the details
1	GSTR-1 (Quarterly)	(From April 2019 to June 2019)	31st July, 2019.
2	GSTR-1 (Monthly)	April 2019	11th May 2019
		May 2019	11th June 2019
		June 2019	11th July 2019
3	GSTR-3B (Monthly)	April 2019	20th May 2019
		May 2019	20th June 2019
		June 2019	20th July 2019

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DUE DATES EXTENDED FOR FILING OF ITC-04.

Introduction

In case of Job Work, a principal may send goods to the job worker without payment of tax under Goods & Service Tax Law but subject to some conditions.

FORM GST ITC-04 must be submitted by the principal every quarter on or before the 25th day of the month succeeding the said quarter. He must include the details of challans in respect of the following-

- Goods dispatched to a job worker or
- Received from a job worker or
- Sent from one job worker to another

However, during GST Transitional phase the due date of filing of ITC-04 was extended time to time. The due date for ITC-04 of July 2017 to December 2018 was last extended to 31st March 2019 which is extended once again up to 30th June 2019 but the information will be given from July 2017 to March 2019.

NOTIFICATION NO 15/2019-CENTAL TAX (28TH MARCH, 2019)

1. In pursuance of section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) and sub-rule (3) of rule 45 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), and in supersession of the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 78/2018- Central Tax, dated the 31st December 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.1255(E), dated the 31st December 2018, except as respects things done or omitted to be done before such supersession, the Commissioner, hereby extends the time limit for furnishing the declaration in **FORM GST ITC-04** of the said rules, in respect of goods dispatched to a job worker or received from a job worker, during the period from July, 2017 to March, 2019 till the 30th day of June, 2019.

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IMPORTANT CHANGES IN INCOME TAX W.E.F. 1ST APRIL 2019

Introduction

With the end of Financial Year 2018-19 a new financial year has begun i.e. FY 2019-20 and there has been a lot of changes in Income Tax which is applicable from 1st April, 2019 (relevant for AY 2020-21). Some of the majors are discussed below:

1. Rebate under Section 87A

A tax rebate of Rs. 12,500 has been given for a resident individual under section 87A by the Finance Act, 2019, whose total income does not exceed Rs. 5 Lakh. The same will be applicable for the assessment year 2020-21. For assessment year 2019-20, the tax rebate under section 87A is Rs. 2,500 if the total income of a resident individual is up to Rs. 3.50 Lakh.

2. Standard Deduction from Salary

The standard deduction of Rs. 40,000 has replaced the transport allowance of Rs. 19,200 and medical reimbursement of Rs. 15,000 per annum in budget 2018. Budget 2019, increased the said limit of Rs. 40,000 to Rs. 50,000. This standard deduction will be reduced from gross salary of the individual.

3. No Income Tax on notional rent of second self-occupied property.

As you know in case of more than one house property you can declare one house property as self-occupied but need to pay tax on notional rent on the other house properties even if they are self-occupied or vacant. From financial year 2019-20, exemption has been proposed on the income tax from notional rent on second self-occupied property. Now the taxpayer can claim nil annual value in respect of two houses declared as self-occupied.

4. Exemption under section 54 extended up to two residential house.

Any long-term capital gains, arising to an Individual or HUF, from the sale of residential house property is exempted to the extent such capital gains are invested in another residential house property. The taxpayer is allowed to invest only in one residential house in India to claim section 54 reliefs.

From financial Year 2019-20, an assessee shall be able to claim exemption under section 54 even if he invests in two residential houses in India. However, this benefit shall be available only on satisfying following two conditions:

- The long term capital gain from the sale of such house property shall not exceed Rs. 2 crores.

- The benefit can be claimed only once in the taxpayer's lifetime.

5. TDS in case of Interest Income

According to section 194A, Banks and post offices are allowed to deduct TDS @ 10% if the interest income earned from deposits exceeds Rs. 10,000 in a financial year.

In the budget 2019, the said limit of Rs. 10,000 has been increased to Rs 40,000 for deduction of tax at source on such interest income paid by a banking company, co-operative society or a post office.

6. TDS in case of Rent

According to section 194I, in case of certain Businesses and professionals who are making the payment of Rent exceeding Rs. 1,80,000 in a financial year are required to deduct tds. Now the said limit of Rs. 1,80,000 has been increased Rs. 2,40,000. TDS on rent will be required to deduct if the total amount to be paid Rs. 2,40,000 p.a.

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