All you need to know

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Goods & Service Tax | Income Tax | Company Law

GST

Government introduces transition plan for filing returns under GST

Businesses will be able to use the new return filing forms under Goods and Services Tax (GST) on a trial basis for three months beginning July, the government said, spelling out the transition plan for the new tax return filing system on Tuesday.

The new system will comprise three forms -- GST ANX-1 that will capture details of outward supplies, GST ANX-2 which will be the purchase form and GST RET-1 which will be the final return form.

While the new purchase and sales forms will be available for trial during July-September, businesses will still have to file returns based on GSTR1 and GSTR3B.

"This trial would have no impact at the back end on the tax liability or input tax credit of the taxpayer. In this period, taxpayers shall continue to fulfil their compliances by filing GSTR-1 and GSTR-3B i.e. taxpayers would continue to file their outward supply details in GSTR-1 on monthly / quarterly basis and return in GSTR-3B on monthly basis," the government said.

While the new return form GST ANX -1 will be made compulsory October onwards, replacing GSTR1, the existing forms -- GSTR3B and GSTR1 -- will be phased out completely from January 2020.

Exporters' wait for I-GST refunds may get even longer

In what is a setback to the automated process of refunds for exporters under goods and services tax (GST), the indirect tax department has decided to introduce manual checks to curb large-scale tax evasion. The customs department would now hold the refunds until it receives "all-clear" signal from the respective GST field formations. "It has come to the notice of the Board that instances of availment of integrated GST refund using fraudulent input tax credit (ITC) claims by some exporters have been observed by various authorities," a circular issued by Central Board of Indirect Taxes and Customs (CBIC) said on Tuesday. It further said some exporters were declaring a much higher value of exports in their GST returns compared to the value mentioned in the shipping bill. Since exports are zero-rated, the exporting firm gets back the entire Integrated GST (IGST) paid on the export.

Income Tax

New income tax rules: No escape just by paying penalty

Tightening the screw on tax evaders, the revised guidelines issued by the Income Tax (I-T) Department have made serious offences under black money and benami laws "generally" non-compoundable. This means that a person or entity would not be able to settle a case of tax evasion by just paying the tax demand, penalty and interest. The new guidelines kicked in from Monday and applies to all cases for compounding received on or after this date. Listing 13 cases, where the offences are not to be generally compounded, and also grouping the offences in two parts, the Central Board of Direct Taxes (CBDT) has directed its senior officers to circulate the revised guidelines for compliance by concerned authorities.

Offences forming category 'A' include failure to pay tax deducted at source under Chapter XVII-B or tax payable under Section 115-0. Failure to pay the tax collected at source also falls under this category. The category 'B' offences include willful attempt to evade tax, failure to produce accounts and documents, and false statement in verification.

While the first category offences are open to compounding, offences such as willful evasion of tax and removal or concealment or transfer or delivery of property to thwart tax recovery in a search operation are not to be compounded.

"Offences under Sections 275A, 275B and 276 of the Act will not be compounded," said the new guideline that supersedes the one issued in 2014.

The guidelines state that a category 'A' offence on more than three occasions would not be generally compounded.

Any offence which has bearing on any offence under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 would not be generally compounded, the revised guidelines said.

Further, any offence which has bearing on any offence under the Benami Transactions (Prohibition) Act, 1988 would not merit compounding by tax authorities.

"Notwithstanding anything contained in these guidelines, the Finance Minister may relax restrictions in Para 8.1 for compounding of an offence in a deserving case, on consideration of a report from the Board on the petition of an applicant," said the tax body.

Compliance Calendar - June'19

Date	Compliances
20	GSTR 3B for May19 GSTR 5 & 5A for May19
29	Form DPT 3
30	GSTR 9/9A/9C - Annual Return for FY17-18 ITC04 -for July17 to March19. Challan-cum-statement for tax deducted u/s 194-IA and IB for May 19 DIR-3KYC Form 24Q for FY 18-19 DPT3 – Annual Return