8. Tax Invoice : Credit & Debit note

Chapter overview:

* Introduction
* Section 31 - Invoice
    * original Invoice
    * Revised Invoice
    * Re concilidated invoice
    * Bill of supply
    * Receipt of vocher
    * Refund vocher
    * payment vocher
    * delivery challan
    * other documents as may be notified.
* Section 32 : prohibition of unauthorised tax credit
* Section 33 : Amount of tax to be indicated in tax invoice and other documents.
* Section 34 : Credit & Debit notes.

Section - 31

INTRODUCTION & ORIGINAL INVOICE

* An invoice is a commerial instrument | document by a supplier of goods | services to a receipient.
* It identify both parties involved in the transaction; Apart from that the following elements can be identified
    → The items sold
    → Quantities of the items sold
    → Date of shipment (delivery)
    → Made of transport
    → prices and discounts
    → delivery and payment terms etc.
* In certain cases an invoice serves as demand for payment and becomes a document of title when paid in full (Total amount)
* Time limit for the issue of invoices in relating to goods or services

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Refer the chapter "Time of suppy"

* No of HSN digits required on tax invoice & class of registered persons not required to mention HSN

S.NO	Annual Turnover in the preceeding Financial year	No of digits of HSN codes.
1.	To ≤ 1.5 cores	— Nil —
2.	To > 1.5 crores ≤ 5 crores	2 digits
3.	To > 5crores	4 digits.

Revised tax invoice :-

* Every registered person who has been obtained registration with effective from a date earlier then the date of issue of the certificate of registration to him; may issue revised invoice.
* Such invoices shall be issued against the invoices already issued during said period.
* Revised tax invoices shall be issued with in one month from the date of issue of certificate of registration.

Situation - II

No tax invoice to be issued if value < 200 (≤ 199)

A consolidated tax invoice can be issued

A registered may not issue a tax invoice if

* value of the goods or services or both supplied < 200
* The receipent is unregistered.
* The receipient doesn't require such invoice.

Insted of issue of tax invoice such registered person shall issue consolidate tax invoice for such supplies at the close of each day in respect of all such supplies.

BILL OF SUPPLY !

* A registered person supplying
→ Exempted goods | services | both or
→ under the composition levy
↓
shall issue a bill of supply instead of tax invoice.

RECEIPT VOCHER !

A registered person on receipt of advance payment with respect to any supply of goods or services or both shall issue a receipt vocher which evidence in receipt of payment.

* where at the time of receipt of advance; rate of tax / Nature of supply is not determinable

Rate of tax is not identifiable (i.e., 5, 12, 18, 28 -- ?) → Tax shall be charged @ 18%.

Nature of supply is not determinable (Intra / Inter) → The supply shall be treated as inter state supply.

REFUND VOCHER !

In receipt of any advance payment with respect to

* Any supply of goods or services or both
* The registered person shall issue : Receipt vocher but
* Subsequentry no supply is made and
* No tax invoice is issued in relating to such supply
* The said registered person issue a refund vocher along with refund money / such payment [advance]

Payment vocher & Invoice :- (In Reverse charge situations)

* Payment voucher has to be issued by the receipient irrespective of the fact of whether supplier may be registered (or) unregistered.
* where as invoice concerned receipient is liable for issue of invoice only when supplier is unregistered.

Section - 32 PROHIBITION OF UNAUTHORISED COLLECTION OF TAX

* A person who is not a registered person shall not collect in respect of any supply of goods / services or both.
  Any amount by way of tax under this act.
* No registered person shall collect tax except in accordance with the provisions of this act (or) the rules made their under.

Section - 33

Amount of tax invoice to be indicated and other documents.

9. Payment Of GST On Tax

1) Introduction

2) Sec. 49 - [Payment of Tax; Interest; Penalty & other Amounts]

* Electronic Cash Ledger
* Electronic Credit Ledger
* Electronic Liability ledger

3) Sec. 50 - [Interest on delay payment of Tax]

Electronic Cash Ledger: It contains a summary of all deposits and payments made by a Tax payer.

Mode of deposit of Cash in Electronic Cash Ledger:- Online payment, NEFT or RTGs payments can be used for deposit of money in electronic cash ledger without any limit.

* To deposit Tax Amount over the bank Counter has restricted to 10000 per challan per tax period.

Manner of Utilisation of Amount Reflected in Electronic Cash ledger:-

* The amount reflected in the electronic Cash ledger can be used for making any payment towards tax; Interest; Penalty fees any other Amount Under the relevant tax head.
* In the ledger information shall be maintained minor head wise for each major head.
* The ledger is displayed major head wise [i.e.;- IGST, CGST, SGST/UTGST] each major head divided into 5 major heads [i.e; Tax; Interest; Penalty; fee & other Amounts].

How Can the Cash Available in the electronic Cash ledger be utilized:- The amt available In electronic Cash ledger Can be utilized for payment of any liability for respective major & minor heads.

Electronic Credit Ledger: CGST Act provides that the self - Assessed Input tax credit by a registered person shall be credited to his electronic credit ledger / Electronic Input tax Credit ledger.

* The Credit in this ledger can be used to make payment of tax only and not for other amounts such as Interest; penalty;

Manner of Availement of ITC:-

Refer - Chapter - I ; frame work of GST.

Electronic Liability Ledger / Register: Electronic liability register will reflect the total tax liability of tax payer for a particular month in a Chronological order.

Order of discharge of tax and other dues:-

Sec. 49(8) prescribes the chronological order in which the liability of taxable person has to be discharged.

* Self Assessed tax and other dues for previous tax periods have to be discharged first.
* The self-assessed tax and other dues for current period have to be discharged next.
* Once these 2 taxes has been paid: thereafter any other amt payable including demand determined u/s-73 or 74 to be discharged [i.e:- Liability Arising out of demand notice & Adjudication proceedings].

Rate of Interest:

Related payment of tax → Rate of Int 18% Pa

undue or Excess claim of ITC → undue or excess reduction to output tax liability → Rate of Int → 24% Pa.

Section: 34:-

Debit Note & Credit Note

Debit Note: Where a tax invoice has been issued for supply of any goods or services or both.

* Taxable value is < Taxable Value in respect of such supply.
* Tax charged in invoice is < Tax payable in respect of such supply.
* Registered supplier of goods or Services or both shall issue debit Note to the recipient of goods or services or both in above situations.

Credit Note:- Where tax invoice has been issued for supply of any goods or services or both.

* Taxable value in invoice > Taxable value in respect of such supply.
* Tax charged in invoice is > Taxable in respect of such supply.
* Where goods supplied are returned by the recipient.
* Where goods or Services or both supplied are found to be deficient.
* Registered supplier of goods or services or both may issue credit note to the recipient of goods or services or both in above situations.

Note:- On the Basis of Debit & Credit Notes issued by the Supplier.