



# GST 31<sup>ST</sup> MEETING

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Decisions and Rate changes effective from January 1, 2019

- *Aniket Rastogi, Advocate*

# NOTIFIED CHANGES

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- Single cash ledger for each tax head
- Single authority for disbursement of all refund amount sanctioned implemented on pilot basis
- New return filing system shall be introduced on a trial basis from 01.04.2019 and on mandatory basis from 01.07.2019
- Due date for furnishing the annual returns in FORM GSTR-9, FORM GSTR-9A and reconciliation statement in FORM GSTR-9C for the Financial Year 2017 –2018 shall be further extended till 30.06.2019
- Due date for furnishing FORM GSTR-8 by e-commerce operators for the months of October, November and December, 2018 shall be extended till 31.01.2019
- Due date for submitting FORM GST ITC-04 for the period July 2017 to December 2018 shall be extended till 31.03.2019
- ITC in relation to invoices issued by the supplier during FY 2017-18 may be availed by the recipient till the due date for furnishing of FORM GSTR-3B for the month of March, 2019, subject to specified conditions
- All the supporting documents/invoices in relation to a claim for refund in FORM GST RFD-01A shall be uploaded electronically

# NOTIFIED CHANGES – CONTD.

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- The following types of refunds to also made available through **FORM GST RFD- 01A**:
  - Refund on account of Assessment/Provisional Assessment/Appeal/Any Other Order;
  - Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice-versa;
  - Excess payment of Tax; and
  - Any other refund
- In case of applications for refund in FORM GST RFD-01A (except those relating to refund of excess balance in the cash ledger) which are generated on the common portal before the roll out of the functionality described above, and which have not been submitted in the jurisdictional tax office within 60 days of the generation of ARN, the claimants shall be sent communications on their registered email ids containing information on where to submit the said refund applications. If the applications are not submitted within 15 days of the date of the email, the said refund applications shall be summarily rejected, and the debited amount, if any, shall be re-credited to the electronic credit ledger of the claimant

# NOTIFIED CHANGES – CONTD.

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- Migration window to reopen till 31.01.2019. All returns upto December, 2018 to be filed by 31.03.2019
- Late fee shall be completely waived for all taxpayers in case **FORM GSTR-1, FORM GSTR-3B & FORM GSTR-4** for the months / quarters July, 2017 to September, 2018, are furnished after 22.12.2018 but on or before 31.03.2019
- Taxpayers who have not filed the returns for two consecutive tax periods shall be restricted from generating e-way bills

## Other recommendations proposed to be taken up in next meeting

- Extending the Composition scheme to small service providers. The rate of tax and threshold limit to be proposed.- Law Committee and Fitment Committee
- Tax rate on lotteries – Committee of States
- Taxation of residential property in real estate sector – Law Committee and Fitment Committee
- Threshold limit of exemption under GST regime –GoM on MSMEs

# TAX RATE CHANGES (EFFECTIVE AS NOTIFIED)

<u>From 28% to 18%</u>	<u>From 28% to 5%</u>	<u>From 18% to 12%</u>
Pulleys, transmission shafts and cranks, gear boxes etc. under HSN 8483; Monitors/ TVs upto 32' screen; Re-treaded or used pneumatic rubber tyres; Power banks of lithium ion batteries; Digital cameras and video camera recorders; Video game consoles and other games and sports requisites under HSN 9504	Parts and accessories for the carriages for the disabled persons	Cork roughly squared or debagged; Articles of natural cork; Agglomerated cork

<u>From 18% to 5%</u>	<u>From 12% to 5%</u>	<u>From 12% to nil</u>	<u>From 5% to nil</u>
Marble rubble	Natural cork; Walking Stick; Fly ash blocks	Music books	Vegetables, (uncooked or cooked by steaming or boiling in water), frozen, branded and put in a unit container; Vegetable provisionally preserved (for example by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption

# TAX RATE CHANGES (EFFECTIVE AS NOTIFIED) – CONTD.

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- Exemption from GST on supply of gold by Nominated Agencies to exporters of article of gold Jewellery
- Exemption from GST on proceeds received by Government from auction of gifts received by President, Prime Minister, Governor or Chief Minister of a State and public servants, the Proceeds of which is used for public or charitable cause
- Exemption from IGST/Compensation cess on vehicles imported for temporary purposes under the Customs Convention on the Temporary importation of Private Road Vehicles (carnet de passages-en-douane)
- Rate of 5%/18% to be applied based on transaction value of footwear
- Uniform GST rate of 12% on Flexible Intermediate Bulk Container (FIBC) from existing 5%/12% (depending on the value)

# DECISIONS (EFFECTIVE AS NOTIFIED)

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- The GST Council in its 31<sup>st</sup> meeting held today at New Delhi has approved the proposal to form a 7 Member Group of Ministers to study the revenue trend, including analysing the reasons for structural patterns affecting the revenue collection in some of the States
- Creation of a Centralised Appellate Authority for Advance Ruling (AAAR) to deal with cases of conflicting decisions by two or more State Appellate Advance Ruling Authorities on the same issue
- Amendment of section 50 of the CGST Act to provide that interest should be charged only on the net tax liability of the taxpayer, after taking into account the admissible input tax credit, i.e. interest would be leviable only on the amount payable through the electronic cash ledger

# RATE RATIONALISATION

<u>PARTICULARS</u>	<u>RATE EFFECT</u>
Cinema tickets above Rs. 100	28% to 18%
Cinema tickets upto Rs. 100	18% to 12%
Third party insurance premium of goods carrying vehicles	18% to 12%
Services by banks to BSBD account holders under Pradhan Mantri Jan Dhan Yojna	Exempted
GTA services to Government departments/local authorities having only TDS registration	Exempted
Services by Central/ State/ UT Government to their undertakings or PSUs by way of guaranteeing loans taken from banks	Exempted



# CLARIFICATIONS PROVIDED ON ISSUES

- W.e.f 31st January, 2018 degrees/ diploma awarded by IIMs will be exempt
- Services provided by IFC and ADB are exempt
- Services provided by Council/ Board of Primary/ Secondary/ Higher Secondary Education for conduct of examination to its students are exempt
- “Printing of pictures” falls under service code “998386” and attract GST @ 18%
- U/s 11(3) of the CGST Act, scope of entry for multi-modal transport with GST rate of 12% covers only domestic multi-modal transport
- Nature of business establishment making supply of food, drinks and other articles for human consumption will not determine whether the supply is that of goods or services. It will rather depend on the constituents of each individual supply and whether same satisfies the conditions / ingredients of a “composite supply” or “mixed supply”
- GST @18% is applicable on wood logs including the wood in rough/log used for pulping
- Fabric even if embroidered or has stitching of lace and tikki etc. will be classifiable as fabric and attract 5% GST

# CLARIFICATIONS PROVIDED ON ISSUES – CONTD.

- Supply of food and drinks by an educational institution to its students, faculty and staff is GST exempt. When provided by a contractor GST @5% is leviable
- Banking company is liable to pay GST on the entire value of service charge/ fee charged to customers
- Service by godown owner to FCI regarding warehouse leasing, activities of storage and preservation of stored food grains, is the service of storage and warehousing of agricultural produce and is exempt
- Incentives paid by RBI to Banks under “Currency Distribution and Exchange Scheme” (CDES) are taxable
- Sprinkler system consisting of nozzles, lateral and other components would attract 12% GST
- Movement of Rigs, Tools & Spares and all goods on wheels on own account where such movement is not intended for further supply of such goods but for the provision of service does not involve a supply and is not be liable to GST
- GST @5% applies to the LPG supplied in bulk to an OMC by refiners/fractioners for bottling for further supply to household domestic consumers
- Turbo charger is classified under heading 8414 and attracts 18% GST and not 5% GST



# THANK YOU

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[aniket.rastogi@taxaid.co.in](mailto:aniket.rastogi@taxaid.co.in)



<http://www.taxaid.co.in>