

GST Café

In the current Monsoon Session of Parliament, four GST bills have been ratified, which includes:

- i. The Central Goods and Services Tax GST (Amendment) Act, 2018;
- ii. The Integrated Goods and Services Tax (Amendment) Act, 2018;
- iii. The Union Territory Goods and Services Tax (Amendment) Act, 2018; and
- iv. The Goods and Services Tax (Compensation to States) Amendment Act, 2018

Some of the key changes that the amendment has brought are as follows:

- Scope of ‘services’ is widened to include facilitating or arranging transactions in securities
- Sec. 9(4) of CGST Act has been relaxed to include only such specified transactions (to be notified) on which tax has to be paid on reverse charge, while procuring goods/ services or both from an unregistered supplier

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- Block credits to include activities such as leasing, renting and hiring of motor vehicle, aircraft & vessel, except for further taxable supplies thereof
- ITC on rent-a-cab, health insurance & life insurance denied even if mandated by Govt., except for further provision of such output service
- Turnover limit for composition scheme has been increased to Rs. 1.5 crore from Rs. 1 Crore earlier
- Condition & restriction for availing ITC on “Bill to Ship to” model has been extended to supply of services as well
- Block credit as per Sec 17(5) has been rationalized which now includes motor vehicle (for transportation of passenger/s) carrying not more than 13 persons including driver. Further ITC in respect of insurance, servicing, repair & maintenance shall also not be available in respect of the such vehicles or where these services are received by manufacturer or supplier of general insurance

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- Block credit to include ITC in respect of aircraft/ vessels, except when they are used for making taxable supplies of transportation of passengers & imparting training in relation thereto
- SEZ unit/ SEZ developer to apply for separate registration, distinct from his place of business located outside the SEZ in the same State or UT.
- Separate registration for different place of business can be taken at the option of supplier instead of business vertical wise
- One or more debit or credit note can be issued in a financial year for one or more invoices issued during the financial year

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- Requirement of maintaining accounts & records mandated for Central Govt. & State Govt., where books are required to be audited by CAG
- New section 43A inserted to provide that every registered person has option to verify, validate, modify or delete the details of supplies furnished by the suppliers
- Supplier and recipient of such supply shall be jointly and severally liable to pay tax/ ITC availed, as the case may be, in relation to outward supplies for which details have been furnished in returns but return thereof has not been furnished

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- ITC on account of State/ UT tax shall be utilized towards payment of integrated tax only where the balance of input tax credit on account of central tax is not available for payment of integrated tax
- Capping of pre-deposit is prescribed at max. of Rs. 25 crore in appeal before Appellate Authority and Rs. 50 crores before Tribunal
- Increase of time from 7 days to 14 days for payment of tax and penalty in case of detention or seizure of goods in transit, before confiscation proceedings are initiated
- Retrospective amendment to disallow transition of Krishi Kalyan Cess, Education Cess & Secondary & Higher Education Cess, by way of clarification in Explanation to Sec. 140