

Concept of TCS return under GST

SEC 52 OF CGST ACT

TCS provisions has been made effective from 01.10.2018

TCS refers to the tax collected by electronic commerce operator when supplier supplies goods or services through portal and the payment for that supply is collected by the E Commerce operator.

Eg: Flipkart, Amazon which sells products through their website and consideration is collected by E-commerce operators after retaining commission and balance is paid to suppliers.

Before going to provision we need to know definition

As per 2(45) of CGST act “electronic commerce operator” means any person who owns,operates, or manages digital or electronic facility or platform for electronic commerce.

Mr. X is a supplier selling his own products through a website hosted by him. As per the definition Mr.X will come under the definition of an electronic commerce operator. However according to sec52,TCS required to be collected on the net value of taxable supplies made through it by other suppliers where consideration charged by ECO.In Case where someone is selling their own products through a website, there is no requirement to collect at source as per the provisions.

As per 2(44) "electronic" commerce means the supply of goods or services or both, including digital products over digital or electronic network

Provisions:

Every E-commerce operator shall collect TCS at a rate not exceeding 1% on the net value of taxable supplies made through it by other suppliers where the consideration to such supplies is to be collected by the operator.

Note: if there is returning of supplies to suppliers, then the same shall be reduced from gross value, TCS shall be worked on such net figure(after such reduction).

The amount collected so shall be paid to the central/state government respectively within 10 days after the end of the month in which such collection is made.

REGISTRATION PROVISIONS:

- As per 24(x) of CGST act every Electronic commerce operator is mandatorily required to take GST registration.
- Persons making supplies of services, other than supplies specified u/s9(5),through an ECO who is required to collect TCS u/s 52 and having aggregate turnover, not exceeding 20 lakhs in a financial year is exempted from obtaining registration.(Notification No.65/2017-CT dated 15-11-2017)

Note: In above notification only services are covered if person supplies goods through an ECO is to mandatorily obtain GST registration

RETURN PROVISIONS:

- E-Commerce operator shall furnish details of outward supplies of goods or services or both made through it, including the supplies returned through it and the amount collected by it in form GSTR-8 within the days after the end of month in which supplies are made.
- The details of TCS return furnished by ECO u/s 52 in FORM GSTR-8 shall be made available to the supplier in PART D OF FORM GSTR-2A
- Sec 52(5) of CGST act requires filing of the annual statement by ECO on or before 31st December following the year.

NOTE: Due date for filing of TCS return has been extended for the month of October, November, December is extended up to 31/01/2019

- The amount of tax collected is reflected in electronic cash ledger of supplier since the related monthly return is filed by E-commerce operator
- Any mismatch between the data submitted by ECO in his monthly returns and that of suppliers making supplies through him shall cause due mismatch enquiry from proper officer and either party may rectify the erroneous data.

Newly Updated FAQ on TCS:

1) Whether TCS is required to be collected by e-commerce operators on supply of services by unregistered suppliers through their portal?

As per Section 24(ix) of the CGST Act, 2017, every person supplying goods or services through an ecommerce operator is mandatorily required to register. However, vide Notification 65/2017-Central Tax dated 15th November, 2017 a person supplying services, other than supplier of services under section 9 (5) of the CGST Act, 2017, through an e-commerce platform were exempted from obtaining compulsory registration provided their aggregate turnover does not exceed INR 20 lakhs (or INR 10 lakhs in case of specified special category States) in a financial year. Since such suppliers are not liable for registration, e-commerce operators are not required to collect TCS on supply of services being made by such suppliers through their portal.

2) 2) Whether e-Commerce operator is required to obtain registration in every State/UT in which suppliers listed on their e-commerce platform are located to undertake the necessary compliance as mandated under the law?

It may be noted that each State/UT has indicated one administrative jurisdiction where all e-commerce operators having business (but not having physical presence) in that State/UT shall register. The proper officer for the purpose of registration of ECOs has also been notified by each State/UT

3) Certain e-commerce operators who have been unable to obtain registration in the month of October, 2018 but have already collected TCS for the said month have expressed challenges in relation to the filing of such details in GTSR-8. It has been asked as to details how these are to be furnished on the common portal?

E-commerce operators, who have been unable to obtain registration in the month of October, 2018 but have already collected TCS for the said month, may furnish the details of TCS collected in the month of October, 2018 in the first return in FORM GTSR-8 to be filed after obtaining registration

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