

# New FAQs under GST

## Returns:

### **1. Are liquor shops and permit rooms required to file GST returns?**

Yes, if registration has been taken, then returns are to be furnished mandatorily even when there is no turnover. Alcoholic liquor for human consumption is dealt by state excise & VAT/CST laws and concerned returns are anyway required under these laws.

### **2. We missed certain invoices, etc and some were entered incorrectly both for output supplies and inward supplies in a particular month. Now how should we correct this?**

This correction can be statement/return to be furnished in next month.

## Input Tax Credit:

### **3. We have our business establishment in Goa. We visited Delhi and purchased goods from a factory. Factory raised bill and delivered goods at factory gate. Thereafter we transported these goods to Goa to our establishment. Whether credit will be available to us?**

Credit shall be available only i.e. supplier mentions your [GSTIN](#) in invoice and charge [IGST](#). It does not matter goods are transported by you i.e. recipient or supplier.

### **4. We deal only in sub-contract relating to immovable property. Whether credit is available to us?**

Yes, Credit is available.

### **5. I have purchase some goods online. Can I get credit?**

Yes, only if invoice mentions your GSTIN.

### **6. Whether credit of taxes paid on petrol, diesel, natural gas and alcoholic drinks (for human consumption) is available?**

No Credit is available. These are not under the purview of [GST](#).

### **7. Whether input tax credit can be taken on repairs and maintenance of motor vehicles?**

Restriction given in section 17(5) applies to 'motor vehicles' which are goods and not for 'repair and maintenance' which is a different supply and classified as 'services'.

**8. Whether we can take credit of tax charged on contractor bill for renovation of office?**

No credit available.

**9. Whether credit of purchase of material for renovation of plant is allowed.**

Yes.

**10. How can credit be availed on import of goods?**

Credit can be availed basis Bill of Entry. Further, ITC of 'BCD' and 'education cess thereon' not available.

**11. How should I claim credit of bank charges, mobile post paid, railway charges, etc?**

Credit is available once banker/telecom operator/railways mention your GSTIN on invoice. Banker Charges ITC is available basis bank statement itself.

**12. We have purchased a business class air ticket from an air travel agent. Can we take credit?**

Yes, credit is available.

**13. Whether credit shall be available for indoor catering provided to employees of a company. Contract is between company and catering company?**

No credit available.

**14. We are registered in Andhra Pradesh. We are into renting business of properties in Karnataka to a company registered in Tamil Nadu. What would be the place of supply and whether credit is available to Tamil Nadu Company?**

Place of supply shall be Karnataka. Further, credit seems to be available as there appears no restriction.

**15. Whether credit of rent a cab from an unregistered person is available?**

Tax is to be paid basis reverse charge and credit is not available.

**16. We have given our asset for use by employees. Any GST implication?**

Proportionate credit needs to be reversed.

**Taxable or Exempt:**

**17. We have still not able to figure out what does supply means. Can you explain?**

Supply can be of goods or services. Every business transaction i.e. for consideration can fall within this term and accordingly dealt by GST. When you supply goods or services it is called outward supply and when you receive it is called inward supply.

**18. Should GST be charged on residential property to government on rent for Rs.2 lacs per month?**

Yes, GST is required to be paid.

**19. Our company is paying rent for residential use of management. Whether it is taxable and can we avail credit?**

As per our view, it is not taxable it is residential premises. Further, if it not taxable, no credit can be availed.

**20. Is there any GST on promotional Goods given free?**

No, there is no GST. However, input tax credit needs to be reversed.

**21. I am a registered person in Kerala. However, value of outward supply is Rs.12 lacs and inward supply is Rs. 20,000 per day from an unregistered person. Is GST applicable?**

Yes, GST is applicable on both cases on full value. Even per day exemption of Rs.5,000/- for inward supply from unregistered person will not apply here.

**22. A person purchases loose paper sheets, gum, binding material, ink, etc and from this makes bill books and supplies that. Whether this is manufacturing or service contract?**

It is manufacturing since new product emerges. Therefore, it will taxable as goods.

**23. Whether interest paid to bank for OD/CC facility will attract GST?**

No GST.

**24. Is dividend income is taxable under GST. Also whether it will be treated as Non GST outward supply?**

No. Neither is it 'supply under GST' nor a 'non-GST supply'.

**25. We supply manpower services. Whether we need to pay GST?**

Yes, GST is applicable.

**26. Is GST applicable on toll tax?**

No GST.

**27. Is GST applicable on transportation, catering, training & placement provided to education institute?**

Yes, GST applicable. However, no GST if relates to pre-school or higher secondary school.

**28. Is GST applicable on fees recovered by pre-school, schools, colleges, institutes etc on sale of forms, building fund, etc?**

No GST applicable.

**29. Whether GST is applicable on electricity?**

Electrical Energy is exempt. No credit is available.

**30. We have an office in Mizoram and another office in Rajasthan. From Mizoram we have taxable supply turnover of Rs.5 lacs. From Rajasthan we have wholly exempted supply turnover of Rs.6 lacs.**

Whether we are required to take registration in both Mizoram and Rajasthan or no registration required?

Where a person makes taxable supplies from any of the 11 category states then limit is Rs.10 lacs. Also, Taxable supply includes exempt supplies. Therefore, taxable supply in this case is Rs.11 lacs. Therefore registration is required both in Mizoram and Rajasthan.

**31. From Rajasthan we have taxable supply turnover of Rs.11 lacs related to under construction property. From Gujarat we have non-taxable supply turnover of Rs.12 lacs of constructed property. Whether we are required to take registration in both Gujarat and Rajasthan or no registration required?**

Taxable supply turnover is Rs.11 lacs and non-taxable supply 12 lacs. Therefore no registration required considering 20 lacs is exemption limit.

**32. We produce wheat. Whether its transportation, warehousing, loading, etc is taxable?**

No. It is exempt.

**33. Is GST applicable on reimbursements?**

Generally no GST is applicable if it fulfills pure agent rule.

**34. Is GST applicable on reimbursement to employees?**

Generally not applicable.

**35. We have sold business assets (on one asset we never availed ITC). Whether GST applicable?**

Yes, GST is applicable on business assets. In respect of that one asset, there seems to be no liability.

**36. We have heard there is a rule as per which difference between selling price and purchase price is taken as value on which GST is applicable. Can we also determine value as per this rule?**

This rule is applicable only for a person dealing in buying and selling of second hand goods. Person other than a dealer cannot avail this rule.

**37. We give discounts. Whether tax is payable on same?**

Discounts known at the time of supply are not taxable. It can be captured on invoice or in a agreement.

**38. Can we use credit notes to pass on discounts?**

Since passing post sale discounts are prohibited, it is not advisable to use credit notes.

**39. Is GST applicable on sale of residential property purchased 10 years ago?**

No GST applicable.

**40. We have a contract wherein if we won't receive payment within 30 days, interest is also recoverable at 15%. Whether GST is applicable?**

Yes, GST is applicable. Late delivery charge, penalties in respect of supply are all includible.

**41. We are a SEZ. We are also supplying to domestic units. What are GST implications?**

Supply received by a domestic unit from a SEZ unit is considered to be imports.

**42. We have received advance. Whether this value is to be considered inclusive of GST?**

Yes. Reverse Calculation shall apply.

**43. We have given advance salary to our employee. What is the GST implication?**

No GST is applicable on salaries to employees.

**44. We are registered seller on flipkart. Do we need to pay tax without any exemption limit?**

Yes. No exemption limit available.

**45. Our company/hospital has an authorized medical practitioner on penal. Whether GST is to be paid on his charges?**

No GST is applicable.

**46. Is GST applicable on Medical Stores? Also whether if doctor's consultation with medicines is provided then GST will apply?**

Yes, GST applicable on medical stores. For second case its need to be seen whether it is composite supply. If doctor's consultation is principal supply, then no GST shall apply.

**47. Whether donations are taxable under GST?**

No.

**48. We are whole sellers of animal feed and poultry feed. Whether we need to pay tax?**

No tax is applicable as these are exempt.

**49. Whether salary paid to director is taxable?**

No. Only sitting fees paid to director which is not considered to be salary is taxable under RCM.

**50. Whether GST is applicable on interest on bank loans or financial institution loan?**

No. GST is not applicable. However credit card charges are taxable.

**51. Whether tax has to be paid when we supply goods or services within 2 establishments in different states having same PAN or are related?**

Yes. GST needs to be paid in that case also.

**52. We are registered in Orissa. We undertake construction projects in West Bengal. Whether registration is required in West Bengal?**

Key factor to determine whether registration is required is having a fixed establishment from where taxable supplies are made. Where a site office is constructed in West Bengal, registration would be required.

**53. We have an establishment in India and outside India. From India we provide services to overseas establishments. Whether this will be exports and therefore no tax to be paid by us?**

An establishment in India and overseas of a same person is considered to be distinct persons. Therefore, this will not be exports unless Indian entity proves that it is more than just a distinct person.

**54. I am a Chartered Accountant registered in Sikkim and goes for plant audit in Arunachal Pradesh for a company registered in Tripura. Whether I will be required to take casual taxable person registration?**

No, casual taxable person registration required as there is no creation of fixed establishment in Arunachal Pradesh. Charge IGST to company registered in Tripura. Further, Tripura establishment shall IGST charge to A.P. establishment

**55. We have an establishment in Pune and another in Mumbai having distance of 100 kms. We transfer goods between them. Whether GST would be applicable in this case when they are under same GSTIN?**

No. GST not applicable since these are not different persons. Delivery challan to be used.

### **Reverse Charge**

**56. Is RCM for inward supply from unregistered person applicable on exempted supply also?**

No RCM apply if supply is anyways exempt.

**57. Whether ITC of tax paid on reverse charge basis shall be available in same month or subsequent month?**

It shall be available in same month. For Ex: If RCM for month of July is paid on 18th August, then this amount can be available for payment of output tax liability for July to be paid on 20th August.

**58. Whether amount payable on RCM basis can be paid by setting off against Input tax credit?**

No it has to be paid in cash.

**59. We provide goods transport agency service. Entire Tax is paid on RCM basis at 5% by our clients. Whether RCM is applicable on us for inward supplies from unregistered person?**

First there is no requirement to register GTA as whole of the tax is paid on reverse charge basis. However, even then registration was taken, RCM for inwards supplies is applicable.

**60. We received Goods transport Agency Services. What tax has to be paid and whether credit is available?**

It is taxed at 5% on reverse charge basis and credit is available. However if in Invoice, tax was charged by GTA at 12% then no payment required under RCM.

**61. We have a contract with an unregistered consultant for September month. We pay Rs.1 lac. Whether RCM is applicable?**

RCM will be applicable in this case. However, one can take benefit of Rs.5,000/- per day exemption if expenses are booked every day for say Rs.4,000 during the month. However, contract should be amended accordingly.

**62. We are into exempted supplies. We received advocate services on which there is reverse charge. Whether registration required?**

Yes. Registration would be required and tax payable.

**63. We are into exempted supplies. We received inward supplies from unregistered person on which there can be reverse charge. Whether registration required?**

No. Registration not required and no tax payable.

**64. We received inter-state inward supplies from unregistered person. Whether GST applicable?**

Person making inter-state supply is mandatorily required to be registered. However, even then he is unregistered, then recipient can't take benefit of the same and is required to be paid under RCM.

**65. Whether limit of Rs.5,000/- for section 9(4) includes supplies which are exempt by way of section 9(3)?**

No. Section 9(3) supplies will not be included for this exemption.

**66. We are a registered company. We have taken on rent a premise from local authority. Whether GST is to be paid basis reverse charge?**

No. GST shall be charged by local authority.

**Others:**

**67. I have opted for composition scheme. Now can I switch to normal scheme?**

Yes, switching can be done by filing form GST CMP-04.

**68. I have opted for normal scheme. Now can I switch to composition scheme?**

No, switching during the financial year is not possible. It can be opted at beginning of financial year (next).

**69. I am an IT service provider. Can I opt for composition scheme?**

No. IT is available only for restaurant services.

**70. Whether tax payment has to be rounded off?**

Yes, it is required to be rounded off to nearest rupee. When refund is claimed, it is also rounded off.

**71. Is there any cash sales limit under GST to an unregistered person?**

No.

**72. We have proprietorship in the name of Ram Rahim Garments which is run by proprietor Mr.Guru. Now under GST which name will be used?**

Under GST, name as mentioned in PAN card shall be used.

**73. We have a government contract. While making payment they will applicable deduct TDS under both GST and Income Tax?**

Yes if applicable, TDS can be deducted under both GST and Income Tax as both are different.

**74. We issue gift vouchers. When tax is required to be paid?**

If gift vouchers are identifiable then at the time of issuance. If not, then at redemption. Identifiable here means pre-determined goods or services and rate is known (say a mobile phone) against which vouchers can be used.

**75. Whether ISD registration can be taken for distribution of credit relating to goods?**

No.

**76. We have paid CGST and SGST considering it to be intra state supply. Later it was found to be inter-state supply and IGST was payable. Can we adjust?**

No adjustment is possible. Refund is to be claimed and correct tax to be paid. No need to pay interest.

**77. Whether 'HSN' or 'SAC' is applicable for services?**

HSN is also applicable for services. There is no concept now of SAC.

**78. We have inward supplies from more than 500 unregistered suppliers in a month. Then how should we raise?**

Consolidated invoice at month end can be raised.

**79. Can we start new invoice series every month?**

Yes.

**80. Can we have a common series for invoice, reverse charge self invoice, Debit notes, etc?**

It is better to have separate series because return formats require serial no. starting 'from' & ending 'To'.

**81. We sell scrap. Whether there is different rate for scraps then the actual goods?**

Yes, scraps have different rates from both the 'actual goods' and 'other goods scrap'.

**82. Whether registration is required for getting inward supplies also?**

No.

**83. Whether TDS as required under Income Tax Act is to be deducted on GST component?**

TDS is not to be deducted on 'GST on Services' component if indicated separately.

**84. We manufacture sweets and then sell the same. What is tax rate if we opt for composition scheme?**

Tax rate is 2% (Manufacturing).

**85. What is the tax rate for air travel agents?**

5% on value of commission.

**86. Whether works contract is only in respect of immovable property under GST?**

Yes.

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