Levy, collection and charge of GST

By CA NIKHIL GOKHRU

CHARGING Section

Section 9(1) of CGST

* for Intra State Supply
* Maximum Rate for CGST is 20%.
* Rates Recommended by GST Council

Sec 5(1) of IGST Act

* Inter state supply
* Max. Rate of IGST is 40%.
* —11— .
* IGST on Import of goods shall be levied as per Custom laws

Who is Liable to Pay GST

(1) Normal Charge or forward charge → Supplier → Receiver

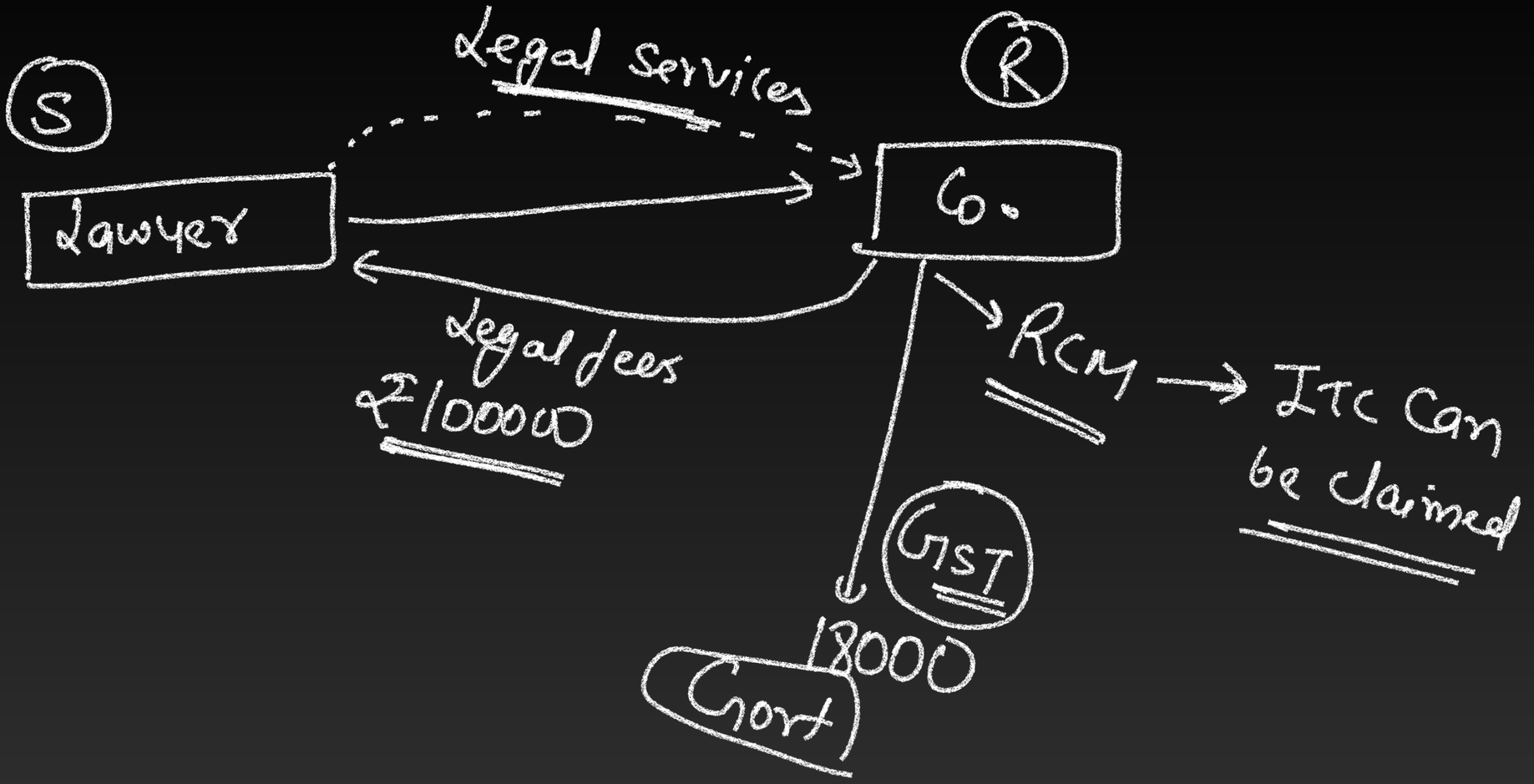
(2) Reverse Charge → Supplier → Receiver

Ex:

Insurance agent → LIC

LIC is Liable to Pay GST as Receiver

Example


S
Legal Services
R
Lawyer
Co.
Legal fees
₹100000
RCM
ITC can be claimed
GST
18000
Govt

Sec 9

- Sec 9(1) (Previous slide)
- Sec 9(2) → GST on Petroleum Products to be levied on Recommendation of GST Council
- Reverse Charge Mechanism
  - 9(3) → Notified Cases
  - 9(4) → If building buying from Un Reg Person
  - 9(5) → E-Comm. Operator

Notified Cases Covered in RCM u/s 9(3)

(1) Govt Services Other than
- * Post Office
- * Transportation
- * Port | airport
- * Renting of Immovable Property

→ Receiver is liable to Pay tax.

(2) GTA if opted 5% Rate of GST → RCM

(3) Legal Services and Services of arbitral tribunal → RCM

④ Recovery agent, Direct selling Agent, Business facilitator of Bank → Bank as Receiver will Pay GST

⑤ Renting of Motor Vehicle opting 5% GST Rate → Company using Car will Pay GST

⑥ Independent director services → Company will Pay GST

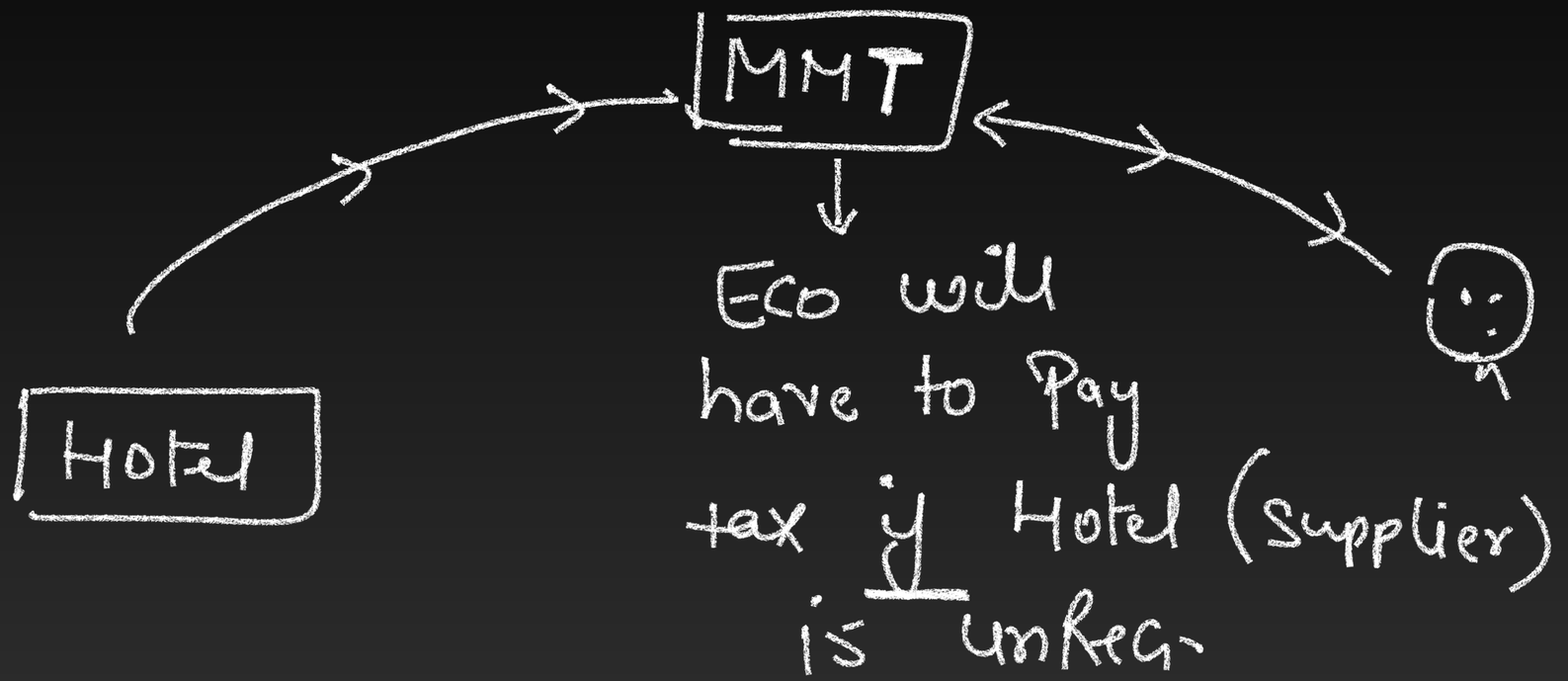
⑦ Life Insurance agent → Insurance Co. will Pay GST

⑧ Author, Music Composer, Artist → Publisher or Music Co. will Pay GST

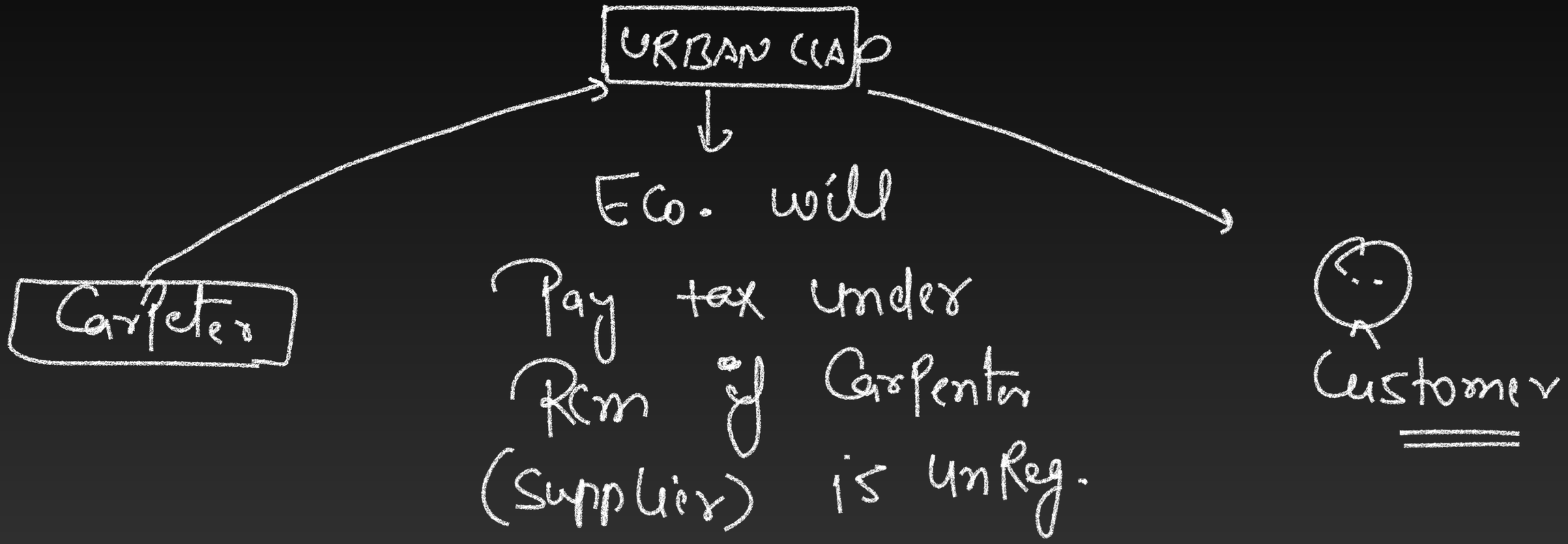
Rem under 9(5) for E-Commerce operator

(1) Radio taxi Services

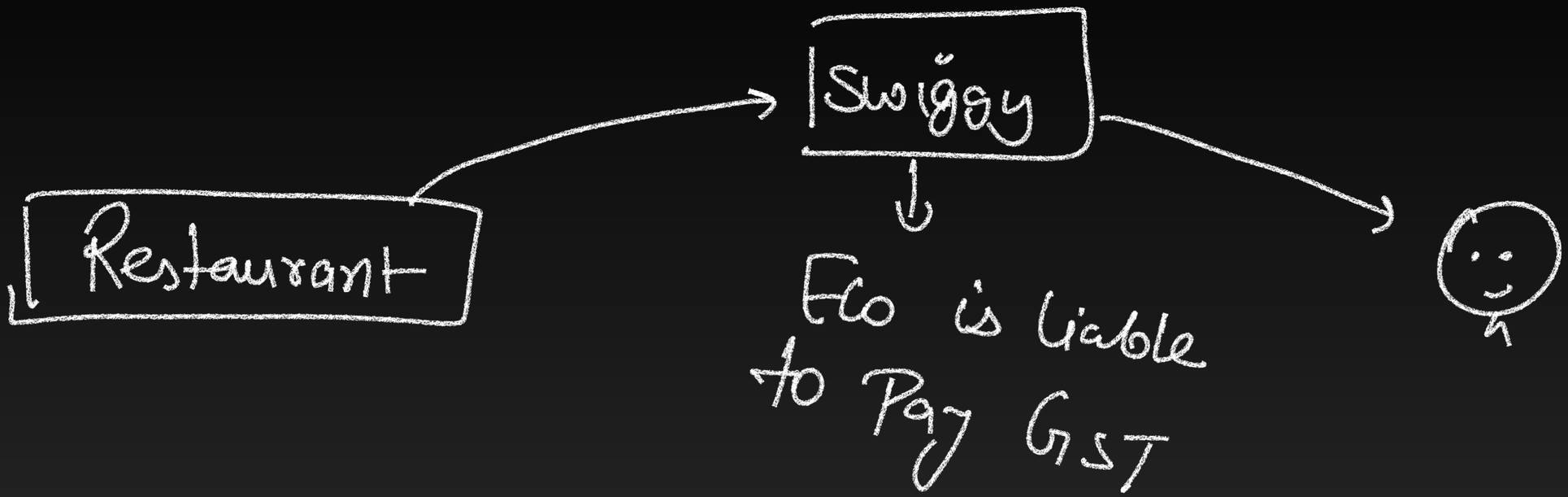
(2) Hotel accomodation services



③ House Maintenance, House keeping etc ----



(4) Restaurant and food delivery Services



Sec 10

Composition key

or

Composition scheme

Eligibility

(I) Manufacturer / Trader / Restaurant / Resviles	Aggregate Turnover in P.y. should not Exceed	8 States 75 lacs Other states 1.5 cr
(II) Other Servile Providers	Aggregate rnover P.y. should ot Exceed	₹ 50 lacs for all states

8 states

1. Arunachal Pradesh
2. Manipur
3. Meghalaya
4. Mizoram
5. Nagaland
6. Sikkim
7. Tripura
8. Uttarakhand

Taxable supply → on which GST is Payable
Ex: Coaching → 18%

Exempt or nil Rate supply → Rate - 0% or Exempt
Ex: Hospital, Grains - 0%

NON Taxable or non GST supply → Petroleum & Alcohol

Zero Rated supply → Export Sales

Sec 2(6), "aggregate turnover" means:

The aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;

Includes
- Tax supply
- Exempt supply
- Zero Rated supply
- non taxable supply

(PAN India Basis)
↓
Total turnover of a Person

but does not Includes Inward supply under RCM

Tax Rate

		CGST	SGST
(1)	Manufacturer	→	0.5% + 0.5% of Turnover of Current year
(2)	Trader	→	0.5% + 0.5% of Turnover of Current year
(3)	Restaurant	→	2.5% + 2.5% of Turnover of Current year
(4)	Other Services	→	3% + 3% of Turnover of Current year

Conditions of Availing Composition Scheme (Ineligible)

1. Person Making Inter State supply
2. Person Supplying through E-Commerce operator
3. Casual taxable Person
4. NON Resident taxable Person
5. Person Supplying non taxable goods (Petrol and alcohol)

(6) Manufacturer of
- Pan masala
- Tobacco
- Aerated water
- Ice Cream
- Bricks | Roofing tiles

Other Conditions

1. No Input tax Credit
2. Composition Person Cannot Collect tax from Customer. He Cannot Issue taxable Invoice, he has to Issue bill of supply
3. Mention on Invoice and Sign board
4. Composition scheme Can be availed only on PAN India Basis.

Q. 36 to Q. 62

MCQ booklet