

38th GST Council Meeting Decisions

Held on 18th December 2019

1. Extension in Due Date of GST Returns

- **GSTR-9 and GSTR-9C for FY 2017-18** - extended till 31st January 2020
- **GST Returns for some North Eastern States for the month November 2019** - extended till 31st December 2019

2. Decisions regarding restriction on availment of Provisional ITC in GSTR-3B

- The amount of ITC availed on a provisional basis has been restricted to 10% (*earlier it was 20%*), where invoices or debit notes are not reflected in GSTR-2A.

3. Late fee waiver on GSTR-1

- Late fee has been waived off if GSTR-1 for tax periods between July 2017 to November 2019 is being filed by 10 January 2020.
- If the taxpayer does not still file for more than two consecutive tax periods, then generation of E-way bills will be blocked.

4. Formation of Grievance Redressal Committees (GRC)

- Grievance Redressal Committees (GRC) will be constituted at Zonal/State level with both CGST and SGST officers and including representatives of trade and industry and other GST stakeholders (GST practitioners and GSTN etc.). These committees will address grievances of specific/ general nature of taxpayers at the Zonal/ State level.

5. Rate Revision

For Long term lease of industrial/ financial infrastructure plots	Exemption is available on upfront amount payable by an entity having 50% or more ownership of Central or State Government	Exemption is available on upfront amount payable by an entity having 20% or more ownership of Central or State Government	This change shall become effective from 1st January, 2020
For State run and State authorized lottery	1. State-run- 12% GST 2. State-authorized - 28% GST	28% GST on State run and State authorized lottery	This change shall become effective from 1st March, 2020
For woven and non-woven bags and sacks of polythene or polypropylene strips or the like , whether or not laminated, of a kind used for packing of goods including FIBC (HSN Code 3923/6305)	Presently the GST Rate is 12%	Proposed GST Rate is 18%	This proposal has been given to remove the inverted tax structure

FOR DETAILS OF 38TH GST
COUNCIL MEETING
DECISIONS , PRESS RELEASE IS
ATTACHED

38th Meeting of the GST Council, New Delhi
18 December, 2019

PRESS RELEASE

(Law and Procedure related changes)

In the 38th meeting of the GST Council held on 18.12.2019, the GST Council recommended the following:

1. Grievance Redressal Committees (GRC) will be constituted at Zonal/State level with both CGST and SGST officers and including representatives of trade and industry and other GST stakeholders (GST practitioners and GSTN etc.). These committees will address grievances of specific/ general nature of taxpayers at the Zonal/ State level.
2. Due date for annual return in **FORM GSTR-9** and reconciliation statement in **FORM GSTR-9C** for FY 2017-18 to be extended to 31.01.2020.
3. Following measures would be taken to improve filing of **FORM GSTR-1**:
 - (i) waiver of late fee to be given to all taxpayers in respect of all pending **FORM GSTR-1** from July 2017 to November 2019, if the same are filed by 10.01.2020.
 - (ii) E-way Bill for taxpayers who have not filed their **FORM GSTR-1** for two tax periods shall be blocked.
4. Input tax credit to the recipient in respect of invoices or debit notes that are not reflected in his **FORM GSTR-2A** shall be restricted to 10 per cent of the eligible credit available in respect of invoices or debit notes reflected in his **FORM GSTR-2A**.
5. To check the menace of fake invoices, suitable action to be taken for blocking of fraudulently availed input tax credit in certain situations.
6. A Standard Operating Procedure for tax officers would be issued in respect of action to be taken in cases of non-filing of **FORM GSTR 3B** returns.
7. Due date of filing GST returns for the month of November, 2019 to be extended in respect of a few North Eastern States.
8. The Council also approved various law amendments which will be introduced in Budget 2020.

[This note presents the decision of the GST Council in simple language for easy understanding which would be given effect through Gazette notifications/ circulars which alone shall have force of law. The same will be made effective from the date as specified in such notifications / circulars.]

PRESS RELEASE
(On Rate Changes)

GST Council in the 38th meeting held on 18th December, 2019 at New Delhi took following decisions relating to changes in GST rates, exemptions, -

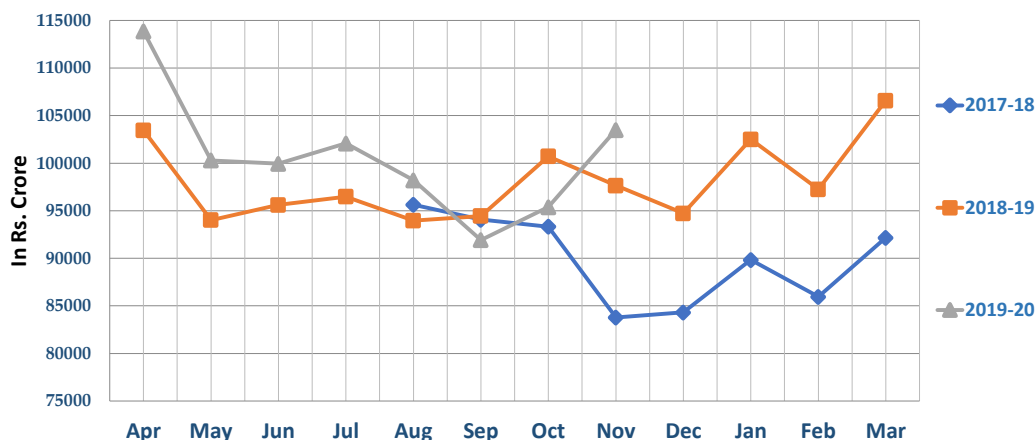
1. To exempt upfront amount payable for long term lease of industrial/ financial infrastructure plots by an entity having 20% or more ownership of Central or State Government. Presently, the exemption is available to an entity having 50% or more ownership of Central or State Government. This change shall become effective from 1st January, 2020.
2. To levy a single rate of GST @ 28% on both State run and State authorized lottery. This change shall become effective from 1st March, 2020.
3. The Council also considered the rate of GST rate on Woven and Non-Woven Bags and sacks of polyethylene or polypropylene strips or the like , whether or not laminated, of a kind used for packing of goods (HS code 3923/6305) in view of the requests received post the changes recommended on such goods in last meeting and recommended to raise the GST to a uniform rate of 18%(from 12%) on all such bags falling under HS 3923/6305 including Flexible Intermediate Bulk Containers (FIBC). This change shall become effective from 1st January, 2020.

[This note presents the decision of the GST Council in simple language for easy understanding which would be given effect to through Gazette notifications/ circulars which shall have force of law.]

PRESS NOTE ON REVENUE

A presentation was made to the GST Council on the issue of revenue, GST rate structure and compensation needs of the States. Before the presentation, the Convenor of GoM on revenue augmentation Sh. Sushil Kumar Modi, Dy CM (Bihar) made opening remarks about the revenue position and future roadmap. The presentation made thereafter was based on discussions in the Committee of officers of State and Centre on revenue augmentation. The revenue trends since inception of GST as shown below was taken note of -

GST Gross Revenue Trends



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A constructive discussion followed the presentation covered a wide range of issues such as measures for encouraging voluntary compliance, expanding tax base, measures to improve return filing and tax collection and rate rationalisation. Automation measures such as e-invoice, new return system, QR code on bills were also discussed. To exchange knowledge about best practices of tax administration, State of UP and UT of J&K made presentation on their effort to improve GST collection, as in the recent past they have shown a healthy growth in compliance.

GST Council gave necessary guidance on further analysis regarding exemption and concession impact analysis, tax base analysis, sensitivity analysis and compliance measures needed to keep pace with revenue needs. The Council also directed for expeditious implementation of IT and other initiatives.
