

Central Tax Rate

Notification No. – 2/2019

Date – 7.03.2019

To give composition scheme for supplier of services with a tax rate of 6% having annual turn over in preceding year upto Rs 50 lakhs

The Central Government has notified the rate on the intra-State supply of goods or services or both as follows-

Description of supply	Rate (per cent.)	Conditions
First supplies of goods or services or both upto an aggregate turnover of 50 lakh rupees made on or after the 1st day of April in any financial year, by a registered person.	3%	<p>1. Supplies are made by a registered person, -</p> <ul style="list-style-type: none">(i) whose aggregate turnover in the preceding financial year was fifty lakh rupees or below;(ii) who is not eligible to pay tax under sub-section (1) of section 10 of the said Act;(iii) who is not engaged in making any supply which is not leviable to tax under the said Act;(iv) who is not engaged in making any inter-State outward supply;(v) who is neither a casual taxable person nor a non-resident taxable person;(vi) who is not engaged in making any supply through an electronic commerce operator who is required to collect tax at source under section 52; and(vii) who is not engaged in making supplies of the goods, the description of which is specified in column (3) of the Annexure below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said annexure. <p>2. Where more than one registered persons are having the same Permanent Account Number, issued under the Income Tax Act, 1961(43 of 1961), central tax on supplies by all such registered persons is paid at the rate specified in column (2) under this notification.</p> <p>3. The registered person shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.</p> <p>4. The registered person shall issue, instead of tax invoice, a bill of supply as referred to in clause (c) of sub-section (3) of section 31 of the said Act with particulars as prescribed in rule 49 of Central Goods and Services Tax Rules.</p> <p>5. The registered person shall mention the following words at the top of the bill of supply, namely: - 'taxable person paying tax in terms of notification No. 2/2019-Central Tax (Rate) dated 07.03.2019, not eligible to collect tax on supplies'.</p> <p>6. The registered person opting to pay central tax at the rate of three percent</p>

	<p>under this notification shall be liable to pay central tax at the rate of three percent on all outward supplies specified in column (1) notwithstanding any other notification issued under sub-section (1) of section 9 or under section 11 of said Act.</p> <p>7. The registered person opting to pay central tax at the rate of three percent under this notification shall be liable to pay central tax on inward supplies on which he is liable to pay tax under sub-section (3) or, as the case may be, under sub-section (4) of section 9 of said Act at the applicable rates.</p> <p>Explanation.-For the purposes of this notification, the expression “first supplies of goods or services or both” shall, for the purposes of determining eligibility of a person to pay tax under this notification, include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the said Act but for the purpose of determination of tax payable under this notification shall not include the supplies from the first day of April of a financial year to the date from which he becomes liable for registration under the Act.</p>
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Tariff item, subheading, heading or Chapter	Description
2105 00 00	Ice cream and other edible ice, whether or not containing cocoa.
2106 90 20	Pan Masala
24	All goods, i.e. Tobacco and manufactured tobacco substitutes.

In computing aggregate turnover in order to determine eligibility of a registered person to pay central tax at the rate of 3% under this notification, value of supply of exempt services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, shall not be taken into account.