

Frequently asked Question on Goods & Service Tax

S.No.	<u>Queries</u>	<u>Answers</u>
Registration		
1)	Can we use provisional GSTIN or do we get new GSTIN? Can we start using provisional GSTIN till new one is issued?	Provisional GSTIN (PID) should be converted into final GSTIN within 90 days. Yes, provisional GSTIN can be used till final GSTIN is issued. PID & final GSTIN would be same.
2)	Whether civil contractor doing projects in various states requires separate registration for all states or a single registration at state of head office will suffice?	A supplier of service will have to register at the location from where he is supplying services.
3)	Is an advocate providing interstate supply chargeable under Reverse Charge liable for registration?	Exemption from registration has been provided to such suppliers who are making only those supplies on which recipient is liable to discharge GST under RCM.
4)	I have migrated under GST but want to register as ISD. Whether I can apply now & what is the procedure?	A separate & new registration is required for ISD.
5)	I have ST number on individual name and have migrated to GST.I wish to transfer this on my proprietorship firm.	This conversion may be done while filling FORM REG-26 for converting provisional ID to final registration.
6)	Please tell if rental income up to 20 lacs attracts GST or attracts any other charge?	GST is leviable only if aggregate turnover is more than 20 lacs. (Rs. 10 lacs in 11 special category States). For computing aggregate supplies turnover of all supplies made by you would be added.
7)	What is aggregate turnover	As per section 2(6) of the CGST Act, 2017, "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 compensation cess.
8)	Whether a separate GSTIN would be allotted to a registered person for deducting TDS (he has PAN and TAN as well)?	Separate registration as tax deductor is required.
9)	Is separate registration required for trading and manufacturing by same entity in one state?	There will be only one registration per State for all activities.

10	I am registered in TN and getting the service from unregistered dealer of AP, should I take registration in AP to discharge GST under RCM?	Any person who makes inter-state taxable supply is required to take registration. Therefore in this case AP dealer shall take registration and pay tax.
11	Is there any concept of area based exemption under GST?	There will be no area based exemptions in GST.
12	If a company in Maharashtra holds only one event in Delhi, will they have to register in Delhi? Will paying IGST from Maharashtra suffice?	Only if you provide any supply from Delhi you need to take registration in Delhi. Else, registration at Mumbai is sufficient (and pay IGST on supplies made from Mumbai to Delhi)
13	How long can I wait to register in GST?	An unregistered person has 30 days to complete its registration formalities from its date of liability to obtain registration.
14	If I am not an existing taxpayer and wish to newly register under GST, when can I do so?	You would be able to apply for new registration at the GST Portal gst.gov.in from 0800 hrs. on 25th June 2017
Refund		
15	How soon will refund in respect of export of goods or services be granted during the GST regime?	(a) In case of refund of tax on inputs used in exports: Refund of 90% will be granted provisionally within seven days of acknowledgement of refund application. Remaining 10% will be paid within a maximum period of 60 days from the date of receipt of application complete in all respects. Interest @ 6% is payable if full refund is not granted within 60 days. (b) In the case of refund of IGST paid on exports: Upon receipt of information regarding furnishing of valid return in Form GSTR-3 by the exporter from the common portal, the Customs shall process the claim for refund and an amount equal to the IGST paid in respect of each shipping bill shall be credited to the bank account of the exporter.
16	Have the procedures relating to exports by manufacturer exporters been simplified in GST regime?	Yes. The procedures relating to export have been simplified so as to do away with the paper work and intervention of the department at various stages of export. The salient features of the scheme of export under GST regime are as follows: • The goods and services can be exported either on payment of IGST which can be claimed as refund after the goods have been exported, or under bond or Letter of Undertaking (LUT) without payment of IGST.

		<ul style="list-style-type: none"> • In case of goods and services exported under bond or LUT, the exporter can claim refund of accumulated ITC on account of export. • In case of goods the shipping bill is the only document required to be filed with the Customs for making exports. <p>Requirement of filing the ARE 1/ARE 2 has been done away with.</p> <p>The supplies made for export are to be made under self-sealing and self-certification without any intervention of the departmental officer. The shipping bill filed with the Customs is treated as an application for refund of IGST and shall be deemed to have been filed after submission of export general manifest and furnishing of a valid return in Form GSTR-3 by the applicant.</p>
Composition Scheme		
17	Suppose I am in composition scheme in GST. If I purchase goods from unregistered person, then GST will be paid to Government by me or not?	Yes, you will be liable to pay tax on reverse charge basis for supplies from unregistered person.
18	Can a small scale goods supplier undertake inter-State supply if it avails composition scheme?	No. If a supplier chooses to avail of composition scheme, he shall not undertake inter-State supply.
19	Can the buyer get input credit on the supply of goods and services from supplier in composition scheme?	No, the buyer cannot avail of the credit of tax paid by the supplier who is under the composition scheme as the person paying tax under composition scheme cannot issue a tax invoice and collect taxes on his supplies.
20	Can a manufacturer under composition scheme do job-work for other manufacturers?	Job-work is a supply of service and not eligible for composition scheme. Any manufacturer or processor who wishes to carry out job-work for others would not be eligible for composition scheme.
21	Whether a registered person under the composition scheme needs to learn HSN code of any input purchases and output supplies?	No, a registered person under the composition scheme would not need to specify HSN code of their products in bill of supply or return. However to discharge tax liability under RCM he is required to learn the codes
Export		
22	How are exports treated under the GST Law?	Under the GST Law, export of goods or services has been treated as inter-State supply and covered under the IGST Act. Second it is also treated as 'zero rated supply' i.e. the goods or services exported shall be relieved of GST levied upon them either at the input stage or at the final product stage.
23	How would the sale and purchase of goods to and from SEZ will be treated? Will it be export / input?	Supply to SEZs is zero rated supplies and supplies by SEZs are treated as imports.

24	Who will pay IGST when goods are procured from SEZ? Today importer is paying both BCD and CVD.	Such supply is treated as import and present procedure of payment continues with the variation that IGST is levied in place of CVD.
25	The supplies to a SEZ unit or SEZ developer are treated as zero rated supplies in the GST Law. Then why there is no specific mention in the GST Law about not charging of tax in respect of supplies from DTA unit to a SEZ unit or SEZ developer?	Yes, supplies made to an SEZ unit or an SEZ developer is zero rated. The supplies made to an SEZ unit or an SEZ developer can be made in the same manner as supplies made for export: <ul style="list-style-type: none"> • either on payment of IGST under claim of refund; • Or under bond or LUT without payment of any IGST.
Input Tax Credit		
26	Is SGST of Rajasthan charged by supplier on purchase from Rajasthan can be utilize for payment of SGST in Madhya Pradesh?	SGST of one State cannot be utilized for discharging of output tax liability of another State.
27	How one can use SGST credit for the payment of IGST on another state?	SGST Credit can be used for payment of IGST liability under the same GSTIN only.
28	Can one State CGST be used to pay another state CGST?	The CGST and SGST Credit for a State can be utilized for payment of their respective CGST/SGST liabilities within that State for the same GSTIN only.
29	In case of service supplied, should the credit be given to the state where it is billed or the state it is rendered?	Tax will be collected in the State from which the supply is made. The supplier will collect IGST and the recipient will take IGST credit.
30	Can a buyer of goods and services pay the value of services / goods to the supplier and deposit the GST component of the invoice in the supplier's account so that when the buyer claims input credit, he may get the same cross entry tallied from the supplier's account	No. This option is not available under GST Law.
31	Is ITC available on hiring of immovable properties (land, office, warehouse, processing unit, stock yards) for facilitation of business operations?	Yes. GST paid on hiring of land, office, warehouse, processing unit, stock yards when these are used in the course or furtherance of business, would be allowed as ITC.
32	Would the net outstanding amount of unutilised input credit be refunded by the Government?	In terms of the provision of Section 54(3) of the CGST Act, 2017 subject to conditions, refund of unutilized input tax credit would be available in respect of zero rated supply or where ITC has accumulated on account of rate of tax on inputs being higher than the rate of tax on the output supply. However, such refund of ITC would not be available if export duty is payable on the goods so

		exported out of India.
33	Will GST charged by tax consultants, advocates, Chartered Accountants, environmental consultants, canteen service providers and other service providers to companies be allowed as input credit?	ITC on any input service/ inputs used in the course or furtherance of business would be available subject to restrictions and other conditions as per the provisions of Chapter-V of the CGST Act, 2017. However, tax paid in respect of canteen service providers shall not be available as credit
Invoice		
34	Do registered dealers have to record Aadhaar/PAN while selling goods to unregistered dealers?	There is no requirement to take Aadhaar / PAN details of the customer under the GST Act.
35	All expenses like freight / transport / packing which are charged in Sales Invoice are taxable in GST? How to charge in bill?	All expenses will have to be included in the value and invoice needs to be issued accordingly. Please refer to Section 15 of CGST Act and Invoice Rules.
36	Can we move construction material to builders on delivery challan and issue tax invoice post completion of activity?	If the goods are meant to be supplied in the course of construction an invoice is necessary. If the goods are tools which are to be used for construction then delivery challan should be issued.
37	How to treat following transaction in GST (i) Delivered supply shortages in Transit. (ii) Customer gets less quantity and pays less.	The supplier may issue credit note to the customers and adjust his liability.
38	Should we issue Self Invoice for GST liability discharge on RCM or GST can be discharge through expenses booking voucher?	For RCM liabilities tax invoice has to be issued on self.
39	Will GST be payable at the time of raising an invoice for supply of goods/services from a supplier or it will be applicable on the amount of advance received by the supplier for booking the order?	No. As per the provisions of section 12(2) of the CGST Act, 2017 the time of supply of goods shall be the date of issue of invoice or the date of receipt of payment, whichever is earlier. Accordingly, GST would be payable on advance payment received prior to issuance of the invoice.
40	Will the supplier have to issue "receipt voucher" against each advance received?	Yes, as per section 31(3)(d) of the CGST Act, 2017 the supplier has to issue a "receipt voucher" for every advance received.
41	In case no supplies are made against an advance, will the dealer have to issue a "refund voucher" only for the advance or for advance including GST	Refund voucher has to be made for the full value of advance, including the amount of GST
Supply		
42	Under supply from unregistered dealer the purchaser have to pay GST on RCM basis. So whether stipend paid to intern will also come under RCM?	Stipend paid to interns will be employer-employee transactions. Hence, not liable for GST.

43	How will disposal of scrap be treated in GST?	If the disposal is in the course or furtherance of business purposes, it will be considered as a supply.
44	I am from MP and providing service to a customer in Maharashtra. I outsource the work to a service provider in Maharashtra, what tax I need to charge?	Generally these will be two supplies where the supplier from MP will charge IGST from the recipient in Maharashtra. Whereas, the service provider in Maharashtra will charge IGST from the recipient in MP.
45	If address of buyer is Punjab and place of supply is same state of supplier (Rajasthan), then IGST will apply or CGST/SGST?	If the place of supply and the location of the supplier are in the same State then it will be intra-State supply and CGST / SGST will be applicable.
46	Why is bifurcation of cash deposit as CGST-SGST-IGST required? Is cash held against a GSTIN, to be adjusted via return u/s 39	Three levies are under three different statutes and are required to be separately accounted for.
47	Will professional tax be abolished in Maharashtra after introducing of GST?	Professional tax is not a tax on supply of goods or services but on being in a profession. Professional tax not subsumed in GST.
48	Employer provides bus service, meal coupon, telephone at residence, gives vehicle for official and personal use, uniform and shoes, any GST?	Where the value of such supplies is in the nature of gifts, no GST will apply till value of such gifts exceeds Rs. 50000/- in a financial year.
Transition		
49	How do I avail transition credit?	Transition credit can be availed by filing the respective forms under Transition rules upto 30.09.2017.
50	Please provide the clarity on area based exemption 50/2003 in UK & HP.	Area based exemptions will not be continued under GST. It will be operated through the route of reimbursement as prescribed.
51	I am a trader. I have excise paid purchase invoice. Whether I can claim credit of full excise duty on closing stock of 1st July 2017	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
52	If a trader purchases directly from manufacturer & has documents showing excise, will he get full excise credit or 40% of CGST?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
53	Some service was provided on 28.06.2017 but Invoice will be raised on	If Point of Tax arises after appointed date, then GST will be chargeable on such supply.

	05.07.2017. Whether we have to charge Service Tax or GST? What about VAT balance pending on transition date?	Balance VAT credit in the return will be transferred to new provisional ID as SGST Credit.
54	What about VAT balance pending on transition date?	Balance VAT credit in the return will be transferred to new provisional ID as SGST Credit.
55	Can ITC of Swachh Bharat Cess or KrishiKalyan Cess be carried forward under GST?	No
56	Whether closing balance of education cess and secondary higher education cess prior to 1st Mar 2015 can be carried forward in GST?	No it will not be carried forward in GST as it is not covered by definition of "eligible duties and taxes" under Section 140 of the CGST Act.
57	Can u clarify for 40% benefit on closing stock, does 1 year limit apply or not?	Deemed credit will be available for all stock procured within a 1 year period.
58	Till what time is transition credit available? Where do I need to declare my input stock?	The window to declare transition credit forms is three months from the appointed day. Please refer to transition rules for more details.

Disclaimer: The replies given above are only for educational and guidance purposes and do not hold any legal validity