

GOODS & SERVICES TAX UPDATE – 12

GOODS AND SERVICES TAX

Time period for filing of details in Form GSTR-1, GSTR-2 and GSTR-3

With the objective of ensuring smooth rollout of GST and taking into account the concerns expressed by the trade and industry regarding filing of the returns in GST regime, it was decided that, for the first two months of GST implementation, the tax would be payable based on a simple return (Form GSTR-3B) containing summary of outward and inward supplies which will be submitted before 20th of the succeeding month.

In this regard, Central Government vide [Notification No. 18/2017- Central tax dt 08-08-2017](#), [Notification No. 19/2017- Central tax dt 08-08-2017](#), [Notification No. 20/2017- Central tax dt 08-08-2017](#) and [Notification No. 21.2017 – Central tax dt 08-08-2017](#) prescribed the time period for filing of details in Form GSTR-1, GSTR-2 and GSTR-3 as under:-

Time of Filing/ Month	Form 3B (Simple return)	Outward supplies in FORM GSTR-1	Inward supplies in FORM GSTR-2	FORM GSTR-3
July, 2017	20 th Aug, 2017	1 st – 5 th Sep, 2017	6 th – 10 th Sep, 2017	11 th - 15th Sep, 2017
August, 2017	20 th Sep, 2017	16 th – 20 th Sep, 2017	21 st – 25 th Sep, 2017	26th - 30th Sep, 2017

Comment: These notifications prescribe extension of time limit for filing the invoice-wise details in GSTR-1, GSTR-2 and GSTR-3.

Source: www.cbec.gov.in

Increase in Maximum Ceiling of Cess Leviable on Motor Vehicles from 15% to 25%

The GST Council considered the issue of cess leviable on motor vehicles in its 20th meeting held on the 5th of August 2017 and recommended that Central Government may move legislative amendments required for increasing the maximum ceiling of cess leviable on motor vehicles falling under headings 8702 and 8703 including SUVs, to 25% instead of present 15%. However, the decision on when to increase cess leviable on the same will be taken by the GST Council in due course.

It was noted that after introduction of GST, the total tax incidence on motor vehicles [GST + Compensation Cess] has come down vis-a-vis the total tax incidence in pre-GST regime. The Schedule to the Goods and Service Tax (GST) (Compensation to State) Act 2017, specifies the maximum rate at which Goods and Service Tax Compensation Cess may be collected. In respect of motor vehicles, the maximum rate at which GST Compensation Cess may be collected is currently set at 15% in the said Act.

[[PIB Release ID 169694 dt 07-08-2017](#)]

Comment: This intends to bring uniformity in the tax rates on Motor Vehicles including SUVs in the pre-gst and post-gst regime.

Source: www.pib.nic.in

Decisions taken on Services at 20th GST Council Meeting

The GST Council in its 20th Meeting took following decisions regarding the change in rates on various services whereby: -

1. Rate on Job work services in respect of the textiles and textile products have been reduced to 5%
2. Rate on services by way of printing of newspapers, books, journal and periodicals (if only content provided by publisher and all input of paper etc belongs to printer) will be 12%
3. Rate on services by way of printing of newspapers, books, journal and periodicals (if input used belongs to publisher and not printer) will be 5%
4. Rate on works contract services provided to government, local or governmental authority will be 12% with full ITC
5. Rate on services in respect of post-harvest storage infrastructure for agricultural produce, mechanized food grain handling system will be 12% with full ITC
6. Rate on margin/commission payable to Fair Price Shop Dealers by Central/ State Governments reduced to Nil.
7. Rate on Admission to planetarium reduced to 18% with full ITC
8. An option of 12% GST on Rent-a- Cab service will be allowed along with full ITC. Otherwise, 5% GST with no ITC will also continue.
9. An option of 12% GST is allowed on Goods transport Agency Services (GTA) with full ITC under forward charge. Otherwise, 5% GST with no ITC will also continue. However, GTA has to give an option at the beginning of financial year.
10. In case of small house-keeping service providers (plumbers/carpenters) providing services through Electronic Commerce Operators (ECO), liability to pay GST placed on ECO
11. Partnership firm or a firm includes LLP have been notified for the purposes of levy (including exemption therefrom) of GST on legal services.
12. It was clarified that legal services (including representational services) provided by an individual advocate or a senior advocate or a firm of advocates (including LLP) provided to a business entity in taxable territory are covered under reverse charge mechanism.
13. Goods required by FIFA and Services provided by and to FIFA and its subsidiaries in connection with FIFA U- 17 World Cup to be hosted in India in 2017 shall be exempted from GST.
14. New crop insurance schemes Pradhan Mantri Fasal Bima Yojana (PMFBY) introduced from Kharif 2016- 17 in place of National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS), and Restructured Weather Based Crop Insurance Scheme (RWCIS) introduced in place of Weather Based Crop Insurance Schemes, shall be extended exemption from GST.

Comment: Notifications giving effect to the above decisions of the GST Council are yet to be issued. The same is expected shortly. These changes may be implemented by (a) change in the tariff notification which would permanently alter the rates of GST or (b) change in the partial exemption notification which would bring the 'effective rate' to these levels leaving the 'tariff rate' unaltered. It would be important to see how these Council decisions are implemented. Also please note the effective date of these notifications are unlikely to be retrospective in view of the limitations of the law-making power in section 11 in allowing retroactive change in the rate-notifications.

Reader may also view various recent articles on different topics of GST, publications, E-newsletter on GST etc. at the website of the Indirect Taxes Committee at <http://idtc.icai.org/gst.html>

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