

## Payments under GST

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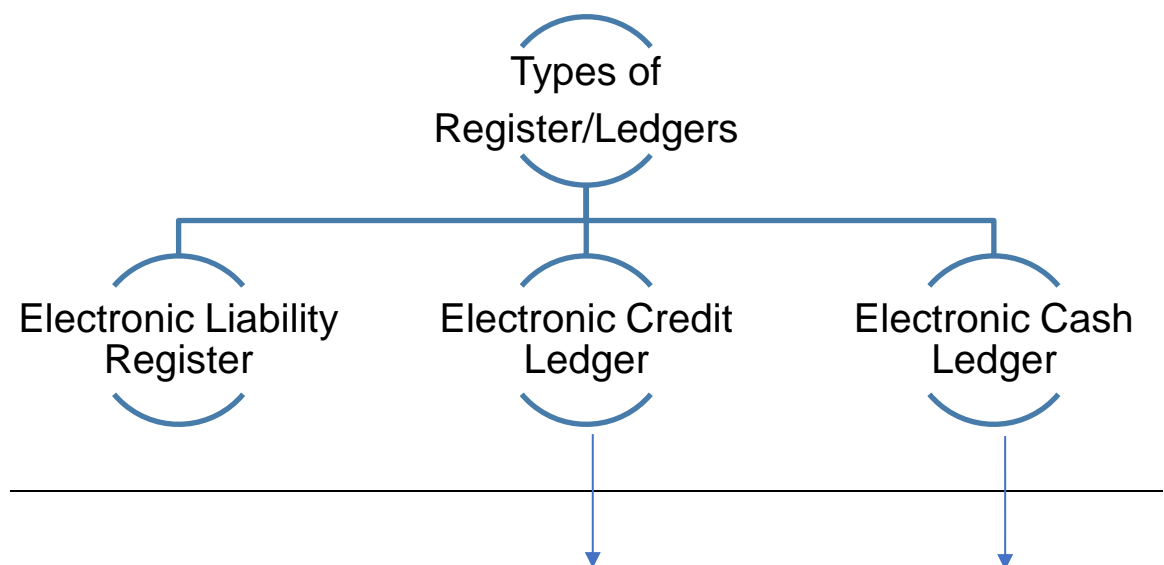
### **Introduction**

As we are aware it is endeavor of the Government to make all law simple and with this payment of tax is also made easy.

Section 49 of CGST Act, 2017 deals with payment of tax, interest, penalty and other amounts. A quick glance at the provisions related to payment read with the Payment of Tax Rules 85 to 88 of CGST Rules, 2017 clearly depicts the Government's intent to focus primarily on e-payments for the liabilities arising under GST rather than over the counter payments. Simultaneously, for the small assessee, over the counter payment by cash/ cheque/ DD is permissible up to the limit of Rs. 10,000/- per challan per tax period. Payments under GST can be made either through electronic cash ledger or through electronic credit ledger as per the provisions of section 49 of CGST Act, 2017 and Rules framed there under.

This article deals with payment provisions under GST.

#### **I. Recording and maintenance of register/ ledgers on the common portal:-**



Where any payment is made through electronic cash or credit ledger or where any other amount is debited or credited in the said ledgers, a Unique Identification Number (UIN) shall be generated. The said number relating to discharge of any liability shall be indicated in the corresponding entry in the electronic liability register.

**A. Electronic Liability Register: -**

In terms of provisions of section 49(7) of the CGST Act, 2017 read with Rule 85 of Payment of Tax Rules, all liabilities of a taxable person under this Act shall be recorded and maintained in an electronic liability register to be maintained in **Form GST PMT-01**.

This register will be maintained separately in two parts for Central Tax, State/ UT Tax, Integrated Tax and Cess:

Part-I: will show return related liabilities

Part-II: will show other than return related liabilities.

Significant notable points are: -

1. All amounts payable shall be debited to this register and bifurcated as:
  - Return related
  - Other than return related

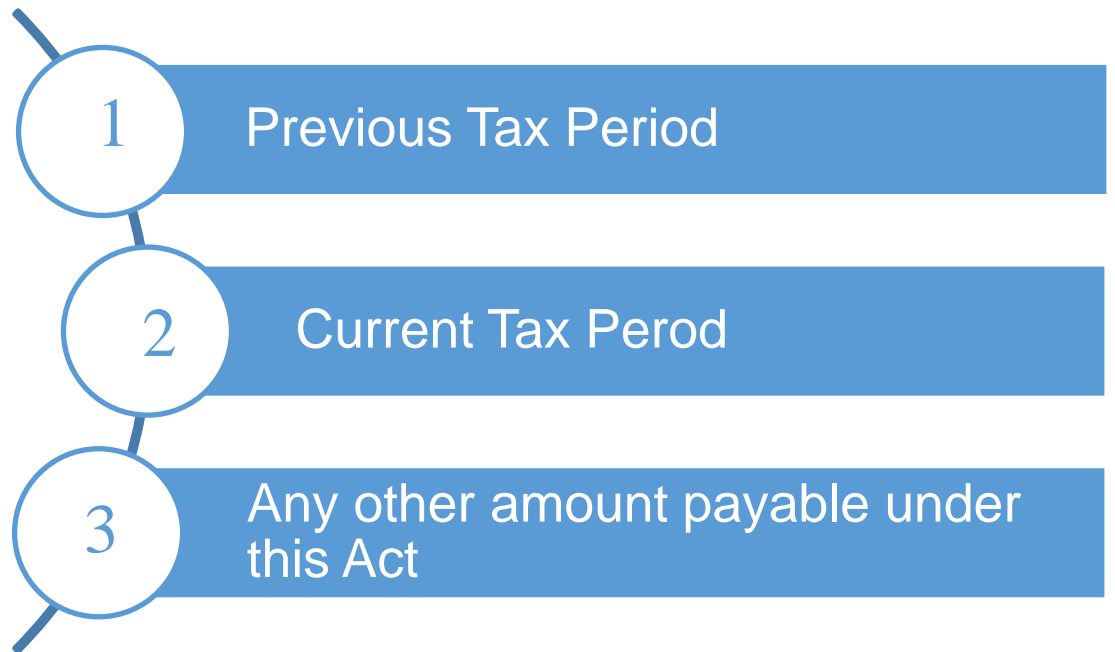
2. **Debit to this register** will be for: -

Part I- Return related	Part II- Other than return related
Tax, Interest, fees or other amount payable, including liabilities due to— <ul style="list-style-type: none"><li>• Opt in for Composition or</li><li>• Cancellation of registration</li></ul>	All liabilities other than return related— <ul style="list-style-type: none"><li>• Reduction or enhancement due to decision of Appeal, rectification, revision, review, etc.</li><li>• Refund of pre-deposit</li><li>• Payments made against SCN or any other voluntary payments</li></ul>

3. **Credit to this register** will be done by debiting electronic cash or credit ledger.
4. Sequence of discharging tax and other dues:
  - i. Previous tax period
  - ii. Current tax period

- iii. Any other amount payable under this Act including demand determined under section 73 or section 74

**Chart showing chronological order of discharge of tax and other dues - Electronic Liability Register**



It is pertinent to note that if any liability is payable under Part II then it will not have any effect on return filing. But if tax is payable under Part I then return will be treated as invalid.

**B. Electronic Credit Ledger: -**

In terms of provisions of section 49(2) of the CGST Act, 2017 read with Rule 86 of Payment of Tax Rules, the Input Tax Credit (ITC) as self-assessed in the return of a registered person shall be credited to his electronic credit ledger to be maintained in **Form GST PMT-02**.

Significant notable points are: -

1. Debit/Credit to this ledger:

<b>Entries credited</b>	<b>Entries debited</b>
Self-assessed ITC in GSTR-3B return	Utilization towards output tax shown in GSTR-3B return
ITC on account of merger	Utilization towards liability related to demand
Transitional credit	Refund claimed

Credit on account of pre-registration inputs	
Credit on opt out from composition scheme	

2. Sequence and restriction for the utilization of Input Tax Credit:-

Input Tax Credit	Can be utilized against	Order of utilization
CGST	CGST & IGST	1. CGST 2. IGST
SGST	SGST & IGST	1. SGST 2. IGST
UTGST	UTGST & IGST	1. UTGST 2. IGST
IGST	IGST, CGST, SGST/ UTGST	1. IGST 2. CGST 3. SGST/UTGST

Note: Cross utilization of SGST/ UTGST & CGST is not permissible

**C. Electronic Cash Ledger**

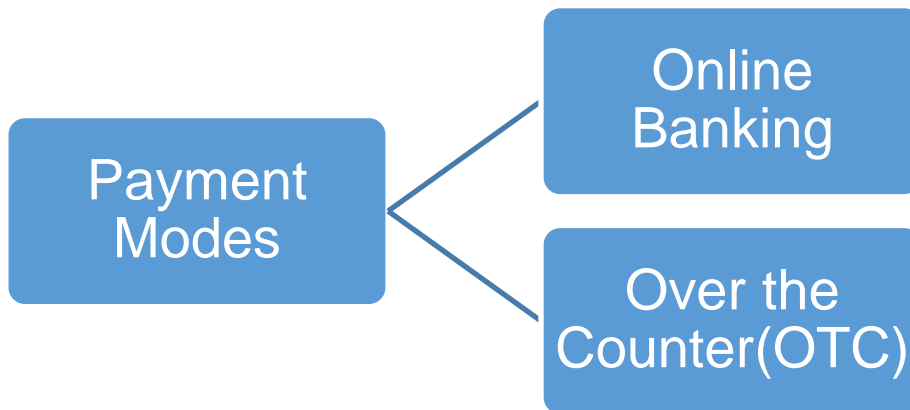
In terms of provisions of section 49(1) of the CGST Act, 2017 read with Rule 87 of Payment of Tax Rules, every deposit made towards tax, interest, penalty, fee or any other amount by a person shall be credited to the electronic cash ledger to be maintained in **Form GST PMT-05**.

Significant notable points are: -

1. **Payment sources:**

Payment can be made through following two modes: -

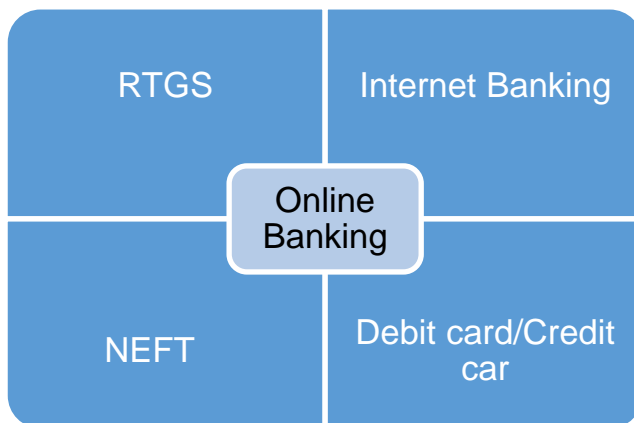
- i. Online banking;
- ii. Over the counter (OTC)



**i. Online banking:-**

Payment of GST by taxpayer can be made through four online modes: -

- Internet banking
- Debit card/Credit card
- National Electronic Fund Transfer (NEFT)
- Real Time Gross Settlement (RTGS)



**ii. Over The Counter (OTC):-**

OTC up to Rs. 10,000/- is permitted per challan per tax period by cash/ cheque/ DD.

## 2. Payment procedure:

- i. Challan to be generated in FORM GST PMT-06 for the tax, interest, etc. to be deposited (Valid for 15 days).
- ii. Payment by non-registered person shall be made on the basis of temporary identification number.
- iii. Mandate form (Applicable in case of NEFT and RTGS):  
Where the payment is made by way of NEFT or RTGS mode, the mandate form shall be generated along with the challan on the Common Portal and the same shall be submitted to the bank from where the payment is to be made (The said mandate form will be valid for 15 days from the date of generation of challan).
- iv. On successful payment, a Challan Identification Number (CIN) will be generated and the same shall be indicated in the challan. On receipt of CIN from the authorized bank, the said amount shall be credited to the electronic cash ledger. But if CIN is not generated or not communicated, person may represent in FORM GST PMT-07, an application for intimating discrepancy relating to payment to bank/electronic gateway.

## 3. Debit/credit entries in Electronic cash ledger in Form GST PMT-05

Following transactions shall have an effect on the electronic cash ledger and shall be debited/ credited accordingly: -

- i. Self-payment shall be credited to the ledger;
- ii. TDS or TCS to be credited to **electronic cash ledger** of the person from whom the amount was deducted or collected;
- iii. Payment towards tax, interest, penalty, fee or any other amount shall be debited to the ledger.
- iv. Balance in Electronic cash ledger after payment of tax and other dues can be claimed as refund. Amount claimed as refund to be debited to the ledger. If refund is rejected, ledger to be re-credited by proper officer by order in Form GST PMT-03;

Note: TDS, TCS, tax under reverse charge and tax in case of composition levy can be made by debiting electronic cash ledger only.

**II. PMT-04: Discrepancy in Electronic credit/ cash ledger and liability register:**

A registered person shall upon noticing any discrepancy in his electronic credit/cash ledger and liability register communicate the same to the Jurisdiction office through common portal in Form GST PMT-04 along with the reason if any thereof.

**III. Interest on delayed payment of tax (Section 50)**

Where payment under GST is not made within the prescribed time, registered taxable person shall pay interest for such delay as under:-

Case	Situation	Rate of Interest
Case-I	For delayed payment of tax	Maximum rate is 18%
Case-II	For excess claim of ITC/excess reduction in output tax liability	Maximum rate is 24%

**III. Tax deduction at source (Section 51) [Suspended till 31<sup>th</sup> March, 2018]**

These provisions are applicable for tax deduction when goods/ services are supplied to Department or establishment of CG or SG, local authority or Govt. agencies or category of persons notified by Government. vide Notification No. 33/ 2017-Central Tax dated 15-Sep-2017, Government has notified following persons to be liable to deduct tax –

(a) an authority or a board or any other body-

(a) set up by an Act of Parliament or a State Legislature; or

(b) established by any Government,

with fifty-one percent or more participation by way of equity or control, to carry out any function;

(b) society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860;

(c) public sector undertakings

Details are in the below table: -

Sr. No.	Particulars	Description
1.	Deductor	Department or establishment of CG or SG, local authority or Govt. agencies or category of persons notified by the Govt.

2.	Deductee	Supplier of taxable goods/ services
3.	Rate	1% of the payment made
4.	Limit	Total value of supply (excluding GST) under contract exceed Rs. 2,50,000/-
5.	No TDS	If the state/ UT of location of the supplier and place of supply is different from the state/UT of registration of recipient
6.	Payment of TDS	10 <sup>th</sup> of the next month
7.	Certificate	Deductor shall furnish certificate with details of contract value, rate of deduction, amount deducted, etc.
8.	Penalty for non-furnishing	Penalty on Deductor of Rs. 100/- per day, subject to maximum of Rs. 5,000/-, if certificate is not furnished within 5 days of TDS payment to Govt.
9.	Effect in cash ledger	TDS to be credited to <b>electronic cash ledger</b> of the person from whom the amount was deducted after the same is reflected in the return of Deductor
10.	Applicability of other provisions	Section 50(interest), section 54(refund) and Section 73/74(SCN) equivalently applicable

**IV. Collection of tax at source (Section 52) [Suspended till 31<sup>th</sup> March, 2018]**

These provisions are applicable when supplies are made through an electronic commerce operator. Details are in the below table: -

Sr. No.	Particulars	Description
1.	Tax to be collected by	Electronic commerce operator(operator)
2.	Tax to be collected from	Supplier supplying through operator
3.	Rate	Up to 1% of net taxable supplies made through it where consideration is to be collected by the operator
4.	Net taxable value	Net taxable value means aggregate value of taxable supplies other than services notified under section 9(5) and reduced by aggregate value of supplies returned to the suppliers



5.	Payment of TCS	10 <sup>th</sup> of the next month
6.	Statement by operator	10 <sup>th</sup> of the next month – containing details of supplies made through it, supplies returned, tax collected. Any error may be rectified in the statement of the month in which it is noticed, but up to earlier of due date for the month of September following the end of F.Y. or annual statement's actual date
7.	Annual statement	31 <sup>st</sup> December of next F.Y.
8.	Effect in cash ledger	TCS to be credited to <b>electronic cash ledger</b> of the person from whom the amount was collected after the same is reflected in the statement of operator
9.	Matching	Details by operator shall be matched with the details by supplier. Discrepancy shall be communicated to both
10.	Mismatching effect	Outward supply as per operator > outward supply as per supplier, and if discrepancy is not corrected, same shall be added to the output liability of supplier. Tax along with interest to be paid
11.	Furnishing details	Deputy Commissioner or above rank may ask operator to furnish details of supplies and stock within 15 days. Otherwise, penalty up to Rs. 25,000/-

**V. Summary of Forms under Payment provisions**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Form No.</b>
1.	Electronic Liability Register	GST PMT-01
2.	Electronic Credit Ledger	GST PMT-02
3.	Electronic Credit or Cash Ledger to be re-credited by proper officer by order if refund is rejected	GST PMT-03
4.	Communication of discrepancy in Electronic Credit Ledger/ Cash Ledger/ Liability Register	GST PMT-04
5.	Electronic Cash Ledger	GST PMT-05
6.	Challan for deposit of GST	GST PMT-06
7.	Representation if CIN is not generated or communicated	GST PMT-07

