

## Chapter X

# Payment of Tax

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### FAQ's

#### Payment of tax, interest, penalty and other amounts (Section 49)

**Section 49 of the CGST Act, 2017 made applicable to IGST vide Section 20 of the IGST Act, 2017 and UTGST vide Section 21 of the UTGST Act, 2017**

Q1. What is Electronic tax liability register?

Ans. Electronic tax liability register is a register to be maintained in the common portal of GST in **FORM GST PMT-01** to record all liabilities of a taxable person. Part-I is for recording return related liabilities and Part-II is for recording other than return related liabilities.

Q2. What are the possible debits and credits to Electronic tax liability register?

Ans. The possible debits and credits to Electronic tax liability register are as follows;

Debit	Credit
<ul style="list-style-type: none"><li>• the amount payable towards tax, interest, late fee or any other amount payable as per the return filed by the said person;</li><li>• the amount of tax, interest, penalty or any other amount payable as determined by a proper officer in pursuance of any proceeding under the Act <u>or as ascertained by the said person</u>;</li><li>• the amount of tax and interest payable as a result of mismatch under section 42 or section 43 or section 50; or</li><li>• any amount of interest that may accrue from time to time.</li></ul>	<ul style="list-style-type: none"><li>• Electronic credit ledger (Payment of Amount deducted u/s 51 or amount collected u/s 52, amount payable on Reverse Charge basis)</li><li>• Amount payable u/s 10, any amount payable towards interest, penalty, fee or any other amount under the Act)</li><li>• Electronic cash ledger</li><li>• Relief given by the Appellate Authority or Appellate Tribunal or Court</li><li>• Reduction in penalty (if any)</li></ul>

Q3. What is Electronic credit ledger?

Ans. Electronic credit ledger is a register to be maintained in the common portal of GST in **FORM GST PMT-02** to record input tax credit claimed, utilization, reversal and refund.

Q4. What action needs to be taken if there is any discrepancy in the Electronic Credit Ledger?

Ans. In case of discrepancy in the Electronic Credit Ledger the taxable person needs to communicate the same to the Jurisdictional officer through common portal in **FORM GST PMT-04**.

Q5. What are the possible debits and credits to Electronic credit ledger?

Ans. The possible debits and credits to Electronic credit ledger are as follows :

Debit	Credit
(i) Discharge of any liability in accordance with Section 49; (ii) Towards claim for refund of unutilized amount.	(i) Input tax credit claimed; (ii) Reversal of amount debited earlier, on account of final rejection of refund ( <b>FORM GST PMT-03</b> ).

Q6. What is Electronic cash ledger?

Ans. Electronic cash ledger is a register to be maintained in the common portal of GST in **FORM GST PMT-05** to record deposit of tax, interest, penalty and other amounts, utilization thereof and refund.

Q7. What are the possible debits and credits to Electronic cash ledger?

Ans. The possible debits and credits to Electronic cash ledger are as follows :

Debit	Credit
i. Discharge of any liability in accordance with Section 49 ii. Towards claim for refund of any amount	i. Payment made through challan on receipt of CIN ii. Amount deducted under Section 51 and claimed in <b>FORM GSTR-02</b> by the registered taxable person from whom the said amount was deducted iii. Amount collected under Section 52 and claimed in <b>FORM GSTR-02</b> by the registered taxable person from whom the said amount was collected

	iv. Reversal of amount debited earlier on account of final rejection of refund ( <b>FORM GST PMT-03</b> )
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Q8. How one can deposit tax under GST?

Ans. Any person, or a person on his behalf, shall generate a challan in **FORM GST PMT-06** on the Common Portal and enter the details of the amount to be deposited by him towards tax, interest, penalty, fees or any other amount and pay the amount through any of the following modes:

- (i) Internet banking through authorized bank;
- (ii) Credit/debit card through the authorized bank;
- (iii) National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) from any bank;
- (iv) Over the Counter payment (OTC) through authorized banks for deposits upto Rs.10,000/- per challan per tax period, by cash, cheque or demand draft.

Further, a person supplying online information and database access or retrieval services (“**OIDAR**”) from a place outside India to a non-taxable online recipient referred to in section 14 of the IGST Act, 2017 may also make the deposit under Rule 87(2) through international money transfer through Society for Worldwide Interbank Financial Telecommunication payment network, from the date to be notified by the Board

Q9. To whom the restriction of deposits upto Rs.10,000/- per challan per tax period, by cash, cheque or demand draft is not applicable?

Ans. The restriction of deposits upto Rs.10,000/- per challan per tax period, by cash, cheque or demand draft is not applicable to the deposit made by:

- (a) Government Departments or any other deposit to be made by persons as may be notified by the Commissioner in this behalf;
- (b) Proper officer or any other officer authorized to recover outstanding dues from any person, whether registered or not, including recovery made through attachment or sale of movable or immovable properties;
- (c) Proper officer or any other officer authorized for the amounts collected by way of cash or cheque, demand draft during any investigation or enforcement activity or any ad hoc deposit:

Q10. What is the validity of challan **FORM GST PMT-06** generated at the common portal?

Ans. The challan **FORM GST PMT-06** generated at the common portal shall be valid for a period of fifteen days.

Q11. Can supplier of OIDAR services file **FORM GST PMT-06**?

Ans. Yes, in terms of second proviso to Rule 87(2) inserted vide *Notification No. 22/2017 – Central Tax dated 17.08.2017* a person supplying online information and database access or retrieval services i.e., OIDAR from a place outside India to a non-taxable online recipient referred to in section 14 of the IGST Act, 2017 may also file **FORM GST PMT-06** through the Board's payment system namely, Electronic Accounting System in Excise and Service Tax from the date to be notified by the Board

Q12. What are the special procedures to be followed for deposit of tax by way of NEFT or RTGS?

Ans. In order to deposit tax by way of NEFT or RTGS, the taxable person needs to generate a mandate form along with the challan and submit it to Bank for processing.

Q13. What is the validity of mandate form generated at the common portal?

Ans. The mandate form generated at the common portal shall be valid for a period of fifteen days from the date of generation of challan.

Q14. What is Challan Identification Number (CIN) and when can it be generated?

Ans. Challan Identification Number (CIN) is the number generated for identification of payment made by the taxable person. It will be generated upon successful credit of the amount to the concerned government account maintained in the authorized bank. CIN shall be generated by the collecting bank and the same shall be indicated in the challan.

Q15. What to do if in case where account is debited with the amount paid under GST but CIN is not generated?

Ans. Where the bank account of the concerned taxable person, or the person making the deposit on his behalf, is debited but no Challan Identification Number (CIN) is generated or generated but not communicated to the common portal, the said person may represent electronically in **FORM GST PMT-07** through the Common Portal to the Bank or electronic gateway through which the deposit was initiated.

Q16. Should the payment be made only from the account of the taxable person?

Ans. There is no restriction on the account to be used of the taxable person for payment of the tax. The payment can be made by a third party from his account using the GSTIN of the taxable person to get the amount debited to the electronic cash ledger of the taxable person.

Q17. Where tax is paid at 11:00 P.M. on 20<sup>th</sup> October 2017 and filed returns on the same day. If for any reason the amount is credited to the account of the appropriate Government on 21<sup>st</sup> October 2017, will it amount to default? (without considering actual extension dates)

Ans. The date of credit to the account of the appropriate Government in the authorized bank shall be deemed to be the date of deposit in the electronic cash ledger. Therefore, in this case the date of payment/deposit of tax shall be 21<sup>st</sup> October 2017, which means a delay of one day in payment of tax.

Q18. Where one can see the payment made in GST portal?

Ans. All payments will reflect in the 'electronic cash ledger' of the person. As the portal is common for CGST, SGST, UTGST and IGST, all the payments will be reflected in a single electronic cash ledger. However, cross utilization may not be allowed within the ledger.

Q19. Will the input tax credit claimed by a taxable person get added to the balance in electronic cash ledger?

Ans. No, input tax credit will appear separately in the 'electronic credit ledger' maintained in the common portal.

Q20. What are the differences between electronic cash ledger and electronic credit ledger?

Ans.

Sl. No.	Electronic cash ledger	Electronic credit ledger
1.	Can be used for payment of tax, interest, penalty and other amounts	Can be used only for payment of output tax
2.	Credit to the ledger will be through payment vide Challans	Credit to the ledger will be through input tax credit claimed as per <b>FORM GSTR-2</b> (inward return)
3.	Refund for excess balance in the cash ledger can be applied through GSTR-03 or 04 or 07	Refund for excess balance in credit ledger may be refunded only through the forms specified

Q21. Can one use input tax credit for payment of interest/penalty?

Ans. No, as per Section 49(4) of the CGST Act, 2017 the amount available in the electronic credit ledger may be used for making any payment towards 'output tax' payable only. As per Section 2(82) of the CGST Act, 2017, 'Output tax' in relation to a taxable person, means the CGST/SGST chargeable under this Act on taxable supply of goods and/or services made by him or by his agent and excludes tax payable by him on reverse charge basis. Therefore, input tax credit cannot be used for payment of interest/penalty.

Q22. Can one use input tax credit for payment of tax under reverse charge basis?

Ans. No, the amount available in the electronic credit ledger may be used for making any payment towards 'output tax'. Further, the definition of output tax u/s 2(82) specifically excludes tax payable under reverse charge basis. Therefore, input tax credit cannot be used for payment of tax under reverse charge basis.

Q23. What is the manner/order of utilization of input tax credit?

Ans. The manner/order of utilization of input tax credit is as follows:

- The amount of IGST credit in the electronic credit ledger can be utilized in the following order:

IGST against IGST-CGST-SGST/UTGST

Eg: If IGST credit available is Rs.100, IGST liability is Rs.50, CGST liability is Rs.40 and SGST/UTGST liability is Rs.30. The credit will be utilized as follows:

In this case the balance of SGST/UTGST may be paid using SGST/UTGST credit or by cash.

- CGST against CGST-IGST
- SGST/UTGST against SGST/UTGST-IGST
- CGST against CGST or IGST against SGST/UTGST – Not allowed

Q24. Is there any order in which liability of a person shall be discharged or it can be appropriated as per the convenience of the tax payer?

Ans. No, every taxable person shall discharge his tax and other dues in the following order:

- (a) self-assessed tax, and other dues related to returns of previous tax periods;
- (b) self-assessed tax, and other dues related to return of current tax period;
- (c) any other amount payable under the Act or the rules made thereunder including the demand determined under section 66 or 67.

**Note 1:** "tax dues" means the tax payable under this Act and does not include interest, fee and penalty.

**Note 2:** "other dues" means interest, penalty, fee or any other amount payable under the Act or the rules made thereunder .

Q25. Will the Electronic credit ledger be debited only with matched input tax credit?

Ans. No, the Electronic credit ledger be debited with matched, unmatched and also provisional input tax credit.

- Q26. Is principles of unjust enrichment applicable for payment made under GST?
- Ans. Yes, every person who has paid the tax on goods and/or services under this Act shall, unless the contrary is proved by him, be deemed to have passed on the full incidence of such tax to the recipient of such goods and/or services.
- Q27. Who will bear the commission charged by bank towards payment of taxes online?
- Ans. The commission charged by bank towards payment of taxes online shall be borne by the taxable person making such payment.
- Q28. What is the procedure for payment of tax for a casual taxable person or non-resident taxable person who is required to pay tax in advance for obtaining registration?
- Ans. As GSTIN will not be available with the casual taxable person or non-resident taxable person, such person shall be required to pay tax in advance for obtaining registration, they will be provided a temporary identification number using which the person can deposit estimated tax liability.
- Q29. Can one pay CGST, IGST, UTGST and SGST together or should be paid separately in different challans?
- Ans. **FORM GST PMT-06** contains separate columns for CGST, IGST, UTGST and SGST which shall deposit the amount to the respective account of the government though paid through a single challan, therefore, CGST, IGST, UTGST and SGST can be paid together in a single challan.
- Q30. What is the due date for payment of tax under GST?
- Ans. As per section 37(7), every registered taxable person, who is required to furnish a return shall pay to the account of the appropriate Government the tax due as per such return not later than the last date on which he is required to furnish such return. Therefore, the due date for payment of tax shall be the due date for filing of returns.
- Q31. Should the challan be apportioned against a fixed tax period or can be used against any liability of a taxable person?
- Ans. The challan for payment of tax (**FORM GST PMT-06**) does not collect details of the period for which the deposit of tax is made, and any amount deposited through the challan is debited to the electronic cash ledger, from which the amount can be utilized against any liability.
- Q32. Is HSN code for goods or accounting code for service relevant for payment of tax?
- Ans. The format of challan does not contain column to disclose the HSN code or the accounting code, therefore, it is not relevant for payment of tax.

Q33. How do we ensure that SGST is paid to the appropriate State Government?

Ans. There is a specific column in **FORM GST PMT-06**, wherein the Name of the State will be auto-populated/selected at the time of filling the challan to ensure that SGST is paid to the appropriate State Government.

Q34. Should a taxable person maintain any minimum balance in the electronic cash ledger?

Ans. There are no provisions in the GST Acts or rules which prescribes maintenance of minimum balance in the electronic cash ledger.

### **Interest on delayed payment of tax (Section 50)**

**Section 50 of the CGST Act, 2017 made applicable to IGST vide Section 20 of the IGST Act, 2017 and UTGST vide Section 21 of the UTGST Act, 2017**

Q35. What are the provisions in relation to interest under GST?

Ans. Interest is applicable on delayed payment of tax at the rate to be notified (not exceeding 18%) and on undue or excess claim of input tax credit or on undue or excess reduction of output tax liability at the rate to be notified (not exceeding 24%), calculated from the from the day succeeding the day on which such tax was due to be paid. Interest is applicable in case of undue or excess claim of input tax credit as well (Section 50).

Q36. If there is default in payment of tax and filing of returns, interest is payable on gross tax payable or net tax payable?

Ans. Gross tax payable, if there is default in payment of tax and filing of returns, input tax credit will become ineligible as per Section 16(2) of the CGST Act. Therefore, the taxable person will not be allowed claim set-off of input tax credit for calculation of interest.

Q37. There is no specific provision for interest under IGST Act, does this mean interest is not applicable for delay in payment of IGST?

Ans. No, provision of Section 50 of the CGST Act has been made applicable to IGST Act vide miscellaneous provision contained in section 20 of the IGST Act.

Q38. Is payment of interest mandatory?

Ans. Yes, Interest being compensatory in nature, it is mandatory. Further, Section 50 uses the word 'shall' which also indicates that interest is mandatory.

### **Tax deduction at source (Section 51)**

**Section 51 of the CGST Act, 2017 made applicable to IGST vide Section 20 of the IGST Act, 2017 and UTGST vide Section 21 of the UTGST Act, 2017**

Q39. What is Tax deduction at source?

Ans. Tax deduction at source ('TDS') is a mechanism wherein the recipient of goods or services or both will deduct out of the amount payable to the supplier, an amount at a percentage of value of supply and deposit the same to the account of the Government within the time prescribed.

Q40. What is the rate of TDS?

Ans. The rate of TDS is 1% of the value of supply.

Q41. Who is liable to deduct tax at source?

Ans. In terms of Section 51 (1) of the CGST Act, the Government may mandate the following person to deduct tax at source-

- (a) A department or establishment of the Central or State Government, or
- (b) Local authority, or
- (c) Governmental agencies, or
- (d) Such persons or category of persons as may be notified, by the Central or a State Government on the recommendations of the Council.

It is pertinent to mention that Central Government *vide Notification No. 33/2017 – Central Tax dated 15.09.2017* appoints the September 18, 2017 as the date on which the provisions of section 51(1) of the CGST Act shall come into force with respect to persons specified under section 51(1) (a) & (b) and also notifies the following persons under Section 51(1)(d):

- (a) an authority or a board or any other body, -
  - (i) set up by an Act of Parliament or a State Legislature; or
  - (ii) established by any Government, with 51 % 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 (21 of 1860);
- (c) public sector undertakings:

The Notification also states that TDS provisions shall come into effect **from a date to be notified** subsequently, on the recommendations of the Council, by the Central Government.

*Press Release issued by the Government highlighting decisions of 22<sup>nd</sup> GST Council Meeting, reads that after assessing the readiness of the trade, industry and Government departments, it has been decided that registration and operationalization of TDS/TCS provisions shall be postponed till 31.03.2018, further 26<sup>th</sup> Council Meeting*

*deferred till 30.06.2018, further deferred to 30<sup>th</sup> Sep 2018 by press release dated 26<sup>th</sup> June 2018.*

Q42. Whether person liable to deduct tax, make TDS even if the supplier has charged GST in his invoice?

Ans. Yes, the taxable person shall deduct the tax irrespective of whether GST is charged in the invoice or not.

Q43. What is the threshold limit for tax deduction at source?

Ans. The threshold limit for tax deduction at source is Rs. 2.5 Lakh. In other words, where the value of supply under contract exceed Rs.2,50,000 TDS needs to be deducted. However, for the purpose of ascertaining the amount of deduction, the value of supply shall be considered as the amount excluding taxes.

Q44. What are the compliances to be adhered by the deductor and specify the due dates for the same?

Ans. The following are the compliances to be adhered by the deductor and the due dates for the same:

Payment of TDS	Issue of Certificate
The deductor is liable to pay the amount deducted from the supplier to the Government within 10 days of the subsequent month	The deductor is liable to issue Certificate in <b>Form GSTR-7A</b> to the deductee within 5 days from the date of payment of tax to the Government mentioning therein contract value, rate of deduction, amount deducted, amount paid to government etc.

Q45. What will happen if the deductor fails to issue TDS Certificate within the time prescribed?

Ans. If the deductor fails to issue TDS Certificate within the time prescribed, the deductor shall be liable to pay, by way of a late fee, a sum of Rs.100 per day from the day after the expiry of such five days period until the failure is rectified, subject to a cap of ₹ 5,000/-

Q46. If the rate of GST on the supply on which TDS is applicable is 18% and TDS @ 1% is made at the time of payment, will the effective rate of tax become 19%?

Ans. No, tax deducted at source by the deductor is available to deductee as credit. Therefore, the deductee will effectively pay tax at only 18% (17% by cash/input tax credit and 1% by utilization of TDS credit).

Q47. Is interest applicable on non-payment of TDS?

Ans. Yes, the deductor shall be liable to pay interest in accordance with the provisions of Section 50(1) for failure to pay the amount deducted as tax.

### **Electronic Commerce – Collection of tax at source (Section 52)**

**Section 52 of the CGST Act, 2017 made applicable to IGST vide Section 20 of the IGST Act, 2017 and UTGST vide Section 21 of the UTGST Act, 2017**

***Press Release issued by the Government highlighting decisions of 22<sup>nd</sup> GST Council Meeting held on 6.10.2017, reads that after assessing the readiness of the trade, industry and Government departments, it has been decided that registration and operationalization of TDS/TCS provisions shall be postponed till 31.03.2018. Further 26<sup>th</sup> Council Meeting deferred till 30.06.2018, further deferred to 30<sup>th</sup> Sep 2018 by press release dated 26<sup>th</sup> June 2018.***

Q48. What is electronic commerce and who is an electronic commerce operator?

Ans. As per Section 2(44) of the CGST Act, 2017, electronic commerce means supply of goods and/or services including digital products over digital or electronic network. As per section 2(45) of the CGST Act, 2017 electronic commerce operator means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

Q49. Can the electronic commerce operator sell goods and/or services on his own behalf?

Ans. Yes, there is no such restrictions under the GST. However, it would be treated as any other form of supply of goods and/or services and chargeable to tax accordingly. Since the goods and/or services are supplied on his own behalf, provisions of collection of tax source do not apply to such transaction.

Q50. What would be the rate of tax for collection of tax at source applicable to electronic commerce operator and on what value would the rate of tax be applied on?

Ans. The rate of tax for collection of tax source as per section 52 of the CGST Act, 2017 shall not exceed 1%. The said 1% would be on the net value of taxable supplies made through the electronic commerce operator by other suppliers where the consideration with respect to such supplies is to be collected by the electronic commerce operator.

Where, *Net value of taxable supplies* shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under section 9(5) of the CGST Act, 2017 made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

Q51. Does the net value of taxable supplies include all the transactions made through electronic commerce?

Ans. No, net value does not include transactions pertaining to supply of services notified by the Government under section 9(5) of the CGST Act, 2017. Net value of taxable supplies is the aggregate value of taxable supplies of goods or services or both, other than services notified under section 9(5) of the CGST Act, 2017, made during any month by all registered taxable persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

Q52. Are there any deductions allowable while computing the tax collection at source?

Ans. Yes, the taxable supplies returned to the supplier on the electronic commerce is allowed as a deduction while calculating the net value.

Q53. Is electronic commerce operator liable to collect tax at source if the consideration for supplies is not collected by him?

Ans. As per the provisions of Section 52(1), an electronic commerce operator shall collect tax at source only where the consideration in respect of supplies is to be collected by the operator.

Q54. Are there any powers vested with the Government to enhance the rate of tax in case of collection of tax at source in future?

Ans. No, section 52 does not vest any powers with any authority to increase the rate of tax more than 1% in case of collection of tax at source

Q55. Can a supplier on electronic commerce opt not to register under GST?

Ans. In terms of section 24(ix) of the CGST Act, 2017 irrespective of the threshold limit the supplier who supplies goods or services or both, [other than supplies specified under section 9(5) of the CGST Act, 2017], through E-commerce operator who is required to collect tax at source under Section 52 is required to obtain a registration compulsorily.

However, in case of supplier where the consideration with respect to supplies made on electronic commerce is not collected by the electronic commerce operator, then in such case, such supplier will be eligible to claim the threshold benefit for registration as per section 22 of the CGST Act, 2017.

However, vide *Notification No. 65/2017 – Central Tax dated 15.11.2017*, the Central Government, on the recommendations of the Council, exempted persons making supplies of services, other than supplies specified under section 9(5) of CGST Act through an e-commerce operator who is required to collect TCS under section 52, from obtaining registration provided their aggregate turnover does not exceed Rs.20 lakhs (Rs.10 lakhs in special category states except J & K) [*Press release on Policy issues dated 10<sup>th</sup> November 2017, Notification No. 65/2017 – Central Tax dated 15<sup>th</sup> November 2017*]

Q56. What is the time at which the tax should be collected at source by the electronic commerce operator?

Ans. No clarity in Section 52. However, it may be construed to be the date of collection of consideration by the electronic commerce operator on behalf of the supplier.

Q57. Is there any threshold limit specified for collection of tax at source?

Ans. No, there is no threshold limit specified.

Q58. If out of the total consideration received by the operator some part is adjusted against receivable from the supplier, should tax be collected at source by the operator even on such amount which is adjusted against other amounts received from the supplier?

Ans. Yes, as per section 52, irrespective of the mode of recovery of consideration by the supplier from the operator, tax should be collected at source on the net value as defined in section 52(1) of the CGST Act, 2017. There is no deduction envisaged in the CGST Act, 2017 in this regard.

Q59. What is the time within which such TCS is to be remitted by the e-commerce operator to Government account? Is the operator required to file any returns for this purpose?

Ans. The amount collected by the ecommerce operator ('operator',) is to be paid to the credit of appropriate government within 10 days after the end of the month in which amount was so collected. The operator is required to file a return in **Form GSTR-8** online giving details of all amounts collected by him for the outward supplies made through his portal, within 10 days of the end of the calendar month to which such statement pertains. The return should contain the names of the actual supplier(s), details of respective supplies made by them and the amount collected on their behalf.

Q60. How can actual suppliers claim credit of this TCS?

Ans. TCS which is deposited by the E-commerce operator into government account will be reflected in the cash ledger of the registered supplier (on whose account such collection has been made) on the basis of the valid return filed by the E-commerce operator. The same can be used at the time of discharge of tax liability in respect of the supplies by such registered supplier.

Q61. What is the concept of matching in e-commerce provisions and how it would work?

Ans. The details of supplies and the amount collected during a calendar month which is furnished by every operator in his return will be matched with the corresponding details of outward supplies furnished by the concerned supplier in his valid return filed under section 37 for the same calendar month or any preceding calendar month. Where the details of outward supply, on which the tax has been collected, as declared by the operator in his statement do not match with the corresponding details declared by the supplier the discrepancy will be communicated to both persons.

Q62. What will happen if the details remain mismatched?

Ans. The value of a supply relating to any payment in respect of which any discrepancy is communicated and which is not rectified by the supplier in his valid return for the month in which discrepancy is communicated, the same will be added to the output liability of the said supplier in the subsequent month succeeding in which the discrepancy is communicated. The concerned supplier will, in whose output tax liability any amount has been added, be liable to pay the tax payable in respect of such supply along with interest on the amount so added from the date such tax was due till the date of its payment.

### **Transfer of Input Tax Credit (Section 53)**

Q63. What is the manner in which transfer of credit takes place on utilization of Central tax credit for payment of integrated tax?

Ans. Upon utilization of central tax credit for payment of integrated taxes, the amount collected as central tax will stand reduced to that extent and the Central Government will transfer an amount equal to the credit from the central tax account to the integrated tax account in such manner and within such time as may be prescribed.

### **MCQ's**

#### **Payment of tax, interest, penalty and other amounts (Section 49)**

**Section 49 of the CGST Act, 2017 made applicable to IGST vide Section 20 of the IGST Act, 2017 and UTGST vide Section 21 of the UTGST Act, 2017**

Q1. Which of these registers/ledgers are maintained online?

- (a) Tax liability register
- (b) Credit ledger
- (c) Cash ledger
- (d) All of them

Ans. (d) *All of them*

Q2. Payment made through challan will be credited to which registers/ledgers?

- (a) Electronic Tax liability register
- (b) Electronic Credit ledger
- (c) Electronic Cash ledger
- (d) All of them

Ans. (c) *Electronic Cash ledger*

Q3. What is deemed to be the date of deposit in the electronic cash ledger?

- (a) Date on which amount gets debited in the account of the taxable person
- (b) Date on which payment is initiated and approved by the taxable person
- (c) Date of credit to the account of the appropriate Government
- (d) Earliest of the above three dates

Ans. (c) *Date of credit to the account of the appropriate Government*

Q4. What gets debited to the electronic credit ledger?

- (a) Matched input tax credit
- (b) Provisionally input tax credit
- (c) Unmatched input tax credit
- (d) All of them

Ans. (d) *All of them*

Q5. Balance in electronic credit ledger can be utilized against which liability?

- (a) Output tax payable
- (b) Interest
- (c) Penalty
- (d) All of them

Ans. (d) *Output tax payable*

Q6. Balance in electronic credit ledger under IGST can be used against which liability?

- (a) IGST Liability only
- (b) IGST and CGST liability
- (c) IGST, CGST and SGST liability
- (d) None of them

Ans. (c) *IGST, CGST and SGST liability*

Q7. Balance in electronic credit ledger under CGST can be used against which liability?

- (a) CGST Liability only
- (b) CGST and IGST liability
- (c) CGST, IGST and SGST liability
- (d) None of them

Ans. (b) *CGST and IGST liability*

Q8. Balance in electronic credit ledger under SGST can be used against which liability?

- (a) SGST Liability only
- (b) SGST and IGST liability
- (c) SGST, IGST and CGST liability
- (d) None of them

Ans. (b) *SGST and IGST liability*

Q9. What should the taxable person do if he pay's the wrong tax i.e. IGST instead of CGST/SGST or vice versa?

- (a) Remit tax again and claim refund
- (b) It will be auto-adjusted
- (c) It will be adjusted on application/request
- (d) None of the above

Ans. (a) *Remit tax again and claim refund*

Q10. What should the taxable person do if he pay's tax under wrong GSTIN?

- (a) Pay again under right GSTIN and claim refund
- (b) Auto-adjustment
- (c) Adjustment on application/request
- (d) Raise ISD invoice and transfer

Ans. (a) *Pay again under right GSTIN and claim refund*

Q11. Taxable person made an online payment of tax. Due to technical snag CIN was not generated but my bank account is debited. What should he do?

- (a) Wait for 24 hours for re-credit
- (b) Approach bank
- (c) File application with department
- (d) File return without challan

Ans. (c) *File application with department (FORM GST PMT-07)*

Q12. What is the due date for payment of tax?

- (a) Last day of the month to which payment relates
- (b) Within 10 days of the subsequent month

- (c) Within 20 days of the subsequent month
- (d) Within 15 days of the subsequent month

Ans. (c) *Within 20 days of the subsequent month*

Q13. A Company has head office in Bangalore and 4 branches in different states, all registered under GST and one ISD registered unit in Delhi. How many electronic cash ledgers will the company have?

- (a) 1
- (b) 4
- (c) 5
- (d) 6

Ans. (c) 5

Q14. What is the validity of challan in **FORM GST PMT-06**?

- (a) 1 day
- (b) 5 days
- (c) 15 days
- (d) Perpetual validity

Ans. (c) 15 days

### **Interest on delayed payment of tax (Section 50)**

**Section 50 of the CGST Act, 2017 made applicable to IGST vide Section 20 of the IGST Act, 2017 and UTGST vide Section 21 of the UTGST Act, 2017**

Q15. A taxable person failed to pay tax and/or file returns on time. He should pay interest on?

- (a) Gross tax payable
- (b) Gross tax payable & input credit claimed
- (c) Net tax payable
- (d) No interest payable, if reasonable cause is shown

Ans. (a) *Gross tax payable*

Q16. From which date interest is liable in case of excess input tax credit claimed?

- (a) From the late date of the month in which credit is claimed
- (b) From the due date for filing **GSTR-02** of the month in which credit is claimed

- (c) From the due date for filing **GSTR-03** of the month in which credit is claimed
- (d) From the date of utilization of credit.

*Ans. (c) From the due date for filing **GSTR-03** of the month in which credit is claimed*

Q17. <sup>1</sup>For payment of IGST input tax credit can be utilised in the following manner only :

- (a) IGST, CGST, SGST/UTGST
- (b) IGST, SGST/UTGST, CGST
- (c) CGST, SGST/UTGST, IGST
- (d) Any of the above manner

*Ans :a) IGST, CGST, SGST/UTGST*

### **Tax deduction at source (Section 51)**

**Section 51 of the CGST Act, 2017 made applicable to IGST vide Section 20 of the IGST Act, 2017 and UTGST vide Section 21 of the UTGST Act, 2017**

Q18. What is the rate of TDS?

- (a) 1%
- (b) 4%
- (c) 5%
- (d) 18%

*Ans. (a) 1%*

Q19. On what value TDS needs to be deducted?

- (a) Contract value
- (b) Contract value excluding tax
- (c) Invoice value including tax
- (d) Invoice value excluding tax

*Ans. (d) Invoice value excluding tax*

Q20. What is the due date for payment of TDS?

- (a) Last day of the month to which payment relates
- (b) Within 10 days of the subsequent month
- (c) Within 20 days of the subsequent month

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<sup>1</sup> Effective date yet to be notified.

(d) Within 15 days of the subsequent month

Ans. (b) *Within 10 days of the subsequent month*

Q21. What is the due date for issue of TDS Certificate?

(a) The date of payment of TDS

(b) Within 10 days from the date of payment of TDS

(c) Within 20 days from the date of payment of TDS

(d) Within 05 days from the date of payment of TDS

Ans. (d) *Within 05 days from the date of payment of TDS*

Q22. Every registered person required to deduct tax at source under section 51 shall furnish return, in ....., for the month in which such deductions have been made within 10 days after the end of such month.

(a) Form GSTR-5

(b) Form GSTR-6

(c) Form GSTR-7

(d) Form GSTR-8

Ans. (c) *Form GSTR-7*

### **Electronic Commerce – Collection of tax at source (Section 52)**

**Section 52 of the CGST Act, 2017 made applicable to IGST vide Section 20 of the IGST Act, 2017 and UTGST vide Section 21 of the UTGST Act, 2017**

Q23. What is e-commerce?

(a) Supply of goods and/or services on an electronic platform for commerce other than the e-commerce operator himself

(b) Supply of goods and/or services on an electronic platform for commerce including the e-commerce operator

(c) Supply of goods and/or services on an electronic platform for commerce

(d) Supply of goods or services or both including digital products over digital or electronic network.

Ans. (d) *Supply of goods or services or both including digital products over digital or electronic network*

Q24. A person who \_\_\_\_\_ digital or electronic facility or platform for electronic commerce shall be considered as an e-commerce operator.

- (a) Owns
- (b) Operates
- (c) Manages
- (d) Any of the above

Ans. (d) *Any of the above*

Q25. At what rate should the tax be collected at source?

- (a) Not exceeding 0.5%
- (b) Not exceeding 1%
- (c) Not exceeding 2%
- (d) Not exceeding 3%

Ans. (c) *Not exceeding 2% (1% under CGST and 1% under SGST)*

Q26. Is there any threshold limit for applying the provisions of Section 52 for collecting tax at source?

- (a) TCS applies if net value of taxable supplies exceeds Rs.10,00,000/-
- (b) TCS applies if net value of taxable supplies exceeds Rs.15,00,000/-
- (c) TCS applies if net value of taxable supplies exceeds Rs.20,00,000/-
- (d) No such limit prescribed, tax should always be collected at source if the conditions envisaged u/s 52 are met.

Ans. (d) *No such limit prescribed, tax should always be collected at source if the conditions envisaged u/s 52 are met*

Q27. When will Section 52 apply? Or when should the e-commerce operator be liable to collect tax at source?

- (a) E-commerce operator shall collect tax at source in respect of all supplies made through it.
- (b) E-commerce operator should collect tax at source only if the supplier of the goods and is registered
- (c) E-commerce operator shall collect tax at source on the net taxable value of supplies made through it by other supplier where the consideration with respect to such supply is to be collected by the E-commerce operator.
- (d) E-commerce operator shall collect tax at source only if the net value of taxable supplies exceeds the prescribed threshold limit.

Ans. (c) *E-commerce operator shall collect tax at source on the net taxable value of supplies made through it by other supplier where the consideration with respect to such supply is to be collected by the E-commerce operator*

Q28. What is net value of taxable supplies?

- (a) Aggregate value of all the supplies of goods and/or services made during any month by all registered taxable persons through the e-commerce operator
- (b) Aggregate value of taxable supplies of goods and/or services made during any month by all registered taxable persons through the e-commerce operator reduced by value of taxable supplies returned to the suppliers during the said month
- (c) Aggregate value of taxable supplies of goods and/or services, excluding the services notified u/s 9(5) made during any month by all registered persons through the e-commerce operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.
- (d) Aggregate value of all the supplies of goods and/or services, excluding the services notified u/s 9(5) made during any month by a registered taxable person.

Ans. (c) *Aggregate value of taxable supplies of goods and/or services, excluding the services notified u/s 9(5) made during any month by all registered persons through the e-commerce operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month*

Q29. When can a supplier making supplies through E-commerce operator opt not to register?

- (a) Always
- (b) When the e-commerce operator is not required to collect tax at source u/s 52
- (c) When the supplier doesn't cross the threshold, limit specified under section 22.
- (d) Option (b) and (c), cumulatively fulfilled

Ans. (d) *Option (b) and (c), cumulatively fulfilled*

Q30. When an e-commerce operator is required to register under GST?

- (a) When he is required to collect tax at source u/s 52
- (b) When his aggregate turnover exceeds the threshold limit
- (c) It is mandatory to register irrespective of the threshold limit.
- (d) When he is required to collect tax at source u/s 52 and his aggregate turnover exceeds the threshold limit

Ans. (d) *When he is required to collect tax at source u/s 52 and his aggregate turnover exceeds the threshold limit*

Q31. Is every supplier on e-commerce platform covered under Section 52 required to charge GST from Re. 1?

- (a) Yes, since he is the registered taxable person.
- (b) No

*Ans. (a) Yes, since he is the registered taxable person*

Q32. When should the e-commerce operator collect tax at source?

- (a) When he collects the consideration on behalf of the supplier in respect of such supply
- (b) On the date when the other supplier makes supplies through operator
- (c) Day on which the operator remits the consideration to the supplier
- (d) Option (a) or (b) whichever is earlier
- (e) Option (a) or (b) whichever is later

*Ans. (a) When he collects the consideration on behalf of the supplier in respect of such supply*

Q33. When should the e-commerce operator remit the amount of TCS to government and file the necessary returns with the government?

- (a) Within 10 days after the end of the month in which such amount was collected
- (b) Within 10 days after the end of the month in which such amount was collected, but no time limit for filing the return
- (c) Within 10 days after the end of the month in which such amount was collected, but no time limit for paying the money
- (d) No time limit for both

*Ans. (a) Within 10 days after the end of the month in which such amount was collected*

Q34. Can a supplier take credit of the TCS?

- (e) Yes
- (f) No
- (g) Yes, on the basis of the valid return filed
- (h) Yes, on the basis of a valid return filed by the e-commerce operator and there is no discrepancy in the returns

*Ans. (d) Yes, on the basis of a valid return filed by the e-commerce operator and there is no discrepancy in the returns*

- Q35. Is there any matching to be done with the returns filed by supplier and operator?
- (a) Yes, return of e-commerce operator should be matched with every return of supplier
  - (b) No, no such requirement mandated
  - (c) Yes, return of e-commerce operator should be matched with every return of supplier but no consequences if the returns do not match
  - (d) Yes, return of e-commerce operator should be matched with every return of supplier and if the returns do not match then the amount of discrepancy will be added to the outward tax liability of the concerned supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier, in his return for the month succeeding the month in which the discrepancy is communicated.

Ans. (d) *Yes, return of e-commerce operator should be matched with every return of supplier and if the returns do not match then the amount of discrepancy will be added to the outward tax liability of the concerned supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier, in his return for the month succeeding the month in which the discrepancy is communicated.*

- Q36. Every electronic commerce operator required to collect tax at source under section 52 shall furnish a statement in ....., containing details of supplies effected through such operator and the amount of tax collected as required under section 52(1) of the CGST Act.

- (a) Form GSTR-5
- (b) Form GSTR-6
- (c) Form GSTR-7
- (d) Form GSTR-8

Ans. (d) *Form GSTR-8*