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Dear Readers

The 38th GST Council meeting was held on December 18, 2019 under the Chairmanship of the Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman. Various decisions were taken by the GST Council in order to improve revenue collection, for GST rates rationalization such as uniform rates for lottery under GST, extension of due date for annual return, waiver of late fees for GSTR-1, etc.

The Government had earlier simplified annual return forms by making several fields optional, but since the revised offline utility for filing GSTR-9C was not made available therefore the extension was necessary.

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Major Recommendations made in the Council meet are as under:

1. **Extension of due date of GSTR-9 and GSTR-9C**

The due dates for filing annual return in **FORM GSTR-9** and reconciliation statement in **FORM GSTR-9C** for FY 2017-18 has been extended to 31.01.2020 from 31.12.2019.

2. **Following measures would be taken to improve filing of FORM GSTR-1**

- Waiver of late fee to be given to all taxpayers in respect of all pending FORM GSTR-1 from July 2017 to November 2019, if the same are filed by 10.01.2020.
- E-way Bill for taxpayers who have not filed their FORM GSTR-1 for two tax periods shall be blocked.

3. **ITC restriction of invoices not reflected in GSTR-2A reduced to 10%**

Input tax credit to the recipient in respect of invoices or debit notes that are not reflected in his FORM GSTR-2A shall be restricted to 10 per cent of the eligible credit available in respect of invoices or debit notes reflected in his FORM GSTR-2A.

4. **Constitution of Grievance Redressal Committee at Zonal/State level**

Grievance Redressal Committees (GRC) will be constituted at Zonal/State level with both CGST and SGST officers and including representatives of trade and industry and other GST stakeholders.

5. **Fraudulently availed ITC to be blocked**

To check the menace of fake invoices, suitable action to be taken for blocking of fraudulently availed input tax credit in certain situations.

6. **SOPs to be issued to check Non-Compliance of GST Returns**

A Standard Operating Procedure for tax officers would be issued in respect of action to be taken in cases of non-filing of FORM GSTR 3B returns.

7. **Extension of GST return for North Eastern States**

Due date of filing GST returns for the month of November, 2019 to be extended in respect of a few North Eastern States.

Following decisions were taken in respect to changes in GST rates/exemptions

1. **Exemption from upfront amount for long term lease to entity with 20% or ownership of Central/State govt.**

To exempt upfront amount payable for long term lease of industrial/ financial infrastructure plots by an entity having 20% or more ownership of Central or State Government. Presently, the exemption is available to an entity having 50% or more ownership of Central or State Government. This change shall become effective from 1st January, 2020.

2. **Single GST rate of 28% on lottery**

To levy a single rate of GST @ 28% on both State run and State authorized lottery. This change shall become effective from 1st March, 2020.

3. **Bags & sacks (woven/non-woven) made of polyethylene or polypropylene strips to be taxed at 18% GST**

The Council also considered the rate of GST rate on Woven and Non-Woven Bags and sacks of polyethylene or polypropylene strips or the like, whether or not laminated, of a kind used for packing of goods (HSN code 3923/6305) in view of the requests received post the changes recommended on such goods in last meeting and recommended to raise the GST to a uniform rate of 18%(from 12%) on all such bags falling under HS 3923/6305 including Flexible Intermediate Bulk Containers (FIBC). This change shall become effective from 1st January, 2020.