

GOODS & SERVICES TAX

BUDGET PROPOSALS 2019

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CENTRAL GOODS AND SERVICES TAX BUDGET 2019 PROPOSALS

Composition Scheme

- Interest on loan, advances and deposit will not be considered to determine turnover for the eligibility under Composition Scheme and no GST is payable thereon.
- A person having interest income even higher than Rs. 5 Lacs or 10% of turnover will also be eligible to avail benefit of Composition Scheme for goods.
- Composition Scheme will not be available to Casual Taxable Person and Non-Resident Taxable person.
- Payment of tax is delinked from the return filing for Composition Scheme. It will enable tax payer to file only one return for the year and pay tax quarterly.

Registration

- Basic threshold limit of GST increased to Rs. 40 Lacs for the person exclusively engaged in supply of goods. This limit is not applicable if supplier also supply services. However, increased limit will be available even if there is interest income on loan, advances and deposit is received by the supplier.
- AADHAR of Proprietor/Partner/Karta/MD etc. made mandatory existing as well as new GST Number.

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Payment of Tax

- It is being provided that tax, interest, penalty, fee etc. in Electronic Cash Ledger may be transferred to Electronic Cash Ledger of Integrated, Central, State or Union Territory or cess.
- At present, it seems that interest is payable on the gross liability as declared in the return without considering Input Tax Credit availed in the return. Section 50 is being amended to provide that interest will be payable on the net liability payable in cash provided no show cause notice is issued under Section 73 or 74 for the respective period.

Miscellaneous

- At present, portion of refund, which is for State Tax, is being paid by State Government even if jurisdiction of assessee is with Central Government. Central Government is being empowered to disburse refund of State Tax also. This will expedite refunds for State Tax of the assessee whose jurisdiction is with Central Government.
- National Appellate Authority is being formed to decide questions for which conflicting Advance Rulings are given by the Appellate Authorities of two or more States or Union Territory.
- Penalty of 10% will be imposed for failure to comply with Anti-Profitteering provisions. If person amount is paid within 30 days of the date of passing of the order by the authority, no penalty will be payable.