



Ministry of Finance

# Recommendations made during 31<sup>st</sup> Meeting of the GST Council

Posted On: 22 DEC 2018 4:45PM by PIB Delhi

The GST Council in its 31<sup>st</sup> meeting held today at New Delhi made the following policy recommendations:

1. There would be a single cash ledger for each tax head. The modalities for implementation would be finalised in consultation with GSTN and the Accounting authorities.
2. A scheme of single authority for disbursement of the refund amount sanctioned by either the Centre or the State tax authorities would be implemented on pilot basis. The modalities for the same shall be finalized shortly.
3. The new return filing system shall be introduced on a trial basis from 01.04.2019 and on mandatory basis from 01.07.2019.
4. The due date for furnishing the annual returns in **FORM GSTR-9**, **FORM GSTR-9A** and reconciliation statement in **FORM GSTR-9C** for the Financial Year 2017 – 2018 shall be further extended till 30.06.2019.
5. The following clarificatory changes, *inter-alia*, shall be carried out in the formats/instructions according to which the annual return / reconciliation statement is to be submitted by the taxpayers:
  - i. Amendment of headings in the forms to specify that the return in **FORM GSTR-9 & FORM GSTR-9A** would be in respect of supplies etc. ‘made during the year’ and not ‘as declared in returns filed during the year’;
  - ii. All returns in **FORM GSTR-1 & FORM GSTR-3B** have to be filed before filing of **FORM GSTR-9 & FORM GSTR-9C**;
  - iii. All returns in **FORM GSTR-4** have to be filed before filing of **FORM GSTR-9A**;
  - iv. HSN code may be declared only for those inward supplies whose value independently accounts for 10% or more of the total value of inward supplies;
  - v. Additional payments, if any, required to be paid can be done through **FORM GST DRC-03** only in cash;
  - vi. ITC cannot be availed through **FORM GSTR-9 & FORM GSTR-9C**;
  - vii. All invoices pertaining to previous FY (irrespective of month in which such invoice is reported in **FORM GSTR-1**) would be auto-populated in Table 8A of **FORM GSTR-9**;
  - viii. Value of “non-GST supply” shall also include the value of “no supply” and may be reported in

Table 5D, 5E and 5F of **FORM GSTR-9**;

- ix. Verification by taxpayer who is uploading reconciliation statement would be included in **FORM GSTR-9C**.
  
6. The due date for furnishing **FORM GSTR-8** by e-commerce operators for the months of October, November and December, 2018 shall be extended till 31.01.2019.
  
7. The due date for submitting **FORM GST ITC-04** for the period July 2017 to December 2018 shall be extended till 31.03.2019.
  
8. ITC in relation to invoices issued by the supplier during FY 2017-18 may be availed by the recipient till the due date for furnishing of **FORM GSTR-3B** for the month of March, 2019, subject to specified conditions.
  
9. All the supporting documents/invoices in relation to a claim for refund in **FORM GST RFD-01A** shall be uploaded electronically on the common portal at the time of filing of the refund application itself, thereby obviating the need for a taxpayer to physically visit a tax office for submission of a refund application. GSTN will enable this functionality on the common portal shortly.
  
10. The following types of refunds shall also be made available through **FORM GST RFD-01A**:
  - i. Refund on account of Assessment/Provisional Assessment/Appeal/Any Other Order;
  - ii. Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice-versa;
  - iii. Excess payment of Tax; and
  - iv. Any other refund.
  
11. In case of applications for refund in **FORM GST RFD-01A** (except those relating to refund of excess balance in the cash ledger) which are generated on the common portal before the roll out of the functionality described in point (10) above, and which have not been submitted in the jurisdictional tax office within 60 days of the generation of ARN, the claimants shall be sent communications on their registered email ids containing information on where to submit the said refund applications. If the applications are not submitted within 15 days of the date of the email, the said refund applications shall be summarily rejected, and the debited amount, if any, shall be re-credited to the electronic credit ledger of the claimant.

12. One more window for completion of migration process is being allowed. The due date for the taxpayers who did not file the complete **FORM GST REG-26** but received only a Provisional ID (PID) till 31.12.2017 for furnishing the requisite details to the jurisdictional nodal officer shall be extended till 31.01.2019. Also, the due date for furnishing **FORM GSTR-3B** and **FORM GSTR-1** for the period July, 2017 to February, 2019/quarters July, 2017 to December, 2018 by such taxpayers shall be extended till 31.03.2019.
13. Late fee shall be completely waived for all taxpayers in case **FORM GSTR-1, FORM GSTR-3B & FORM GSTR-4** for the months / quarters July, 2017 to September, 2018, are furnished after 22.12.2018 but on or before 31.03.2019.
14. Taxpayers who have not filed the returns for two consecutive tax periods shall be restricted from generating e-way bills. This provision shall be made effective once GSTN/NIC make available the required functionality.
15. Clarifications shall be issued on certain refund related matters like refund of ITC accumulated on account of inverted duty structure, disbursal of refunds within the stipulated time, time allowed for availment of ITC on invoices, refund of accumulated ITC of compensation cess etc.
16. Changes made by CGST (Amendment) Act, 2018, IGST (Amendment) Act, 2018, UTGST (Amendment) Act, 2018 and GST (Compensation to States) Amendment Act, 2018 and the corresponding changes in SGST Acts would be notified w.e.f. 01.02.2019.

The requisite Notifications/Circulars for implementing the above recommendations of the GST Council shall be issued shortly.

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Ministry of Finance

# Formation of GoM as Recommended by the GST Council in Its 31st Meeting held on 22.12.2018.

Posted On: 22 DEC 2018 4:48PM by PIB Delhi

The GST Council in its 31<sup>st</sup> meeting held today at New Delhi has approved the proposal to form a 7 Member Group of Ministers to study the revenue trend, including analysing the reasons for structural patterns affecting the revenue collection in some of the States. The study would include the underlying reasons for deviation from the revenue collection targets *vis a vis* original assumptions discussed during the design of GST system, its implementation and related structural issues.

The Group of Ministers will be assisted by the committee of experts from Central Government, State Governments and the NIPFP (National Institute of Public Finance and Planning), who would study and share the findings with GoM. The GoM in turn would give its recommendation to the GST Council.

The members of the GoM and the Committee of experts would be announced in due course of time.

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Ministry of Finance

# In-Principle approval given for Law Amendments during 31<sup>st</sup> Meeting of the GST Council

Posted On: 22 DEC 2018 4:49PM by PIB Delhi

The GST Council in its 31<sup>st</sup> meeting held today at New Delhi gave in principle approval to the following amendments in the GST Acts:

1. Creation of a Centralised Appellate Authority for Advance Ruling (AAAR) to deal with cases of conflicting decisions by two or more State Appellate Advance Ruling Authorities on the same issue.
2. Amendment of section 50 of the CGST Act to provide that interest should be charged only on the net tax liability of the taxpayer, after taking into account the admissible input tax credit, i.e. interest would be leviable only on the amount payable through the electronic cash ledger.

The above recommendations of the Council will be made effective only after the necessary amendments in the GST Acts are carried out.

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Ministry of Finance

# Recommendations made during 31st Meeting of the GST Council held on 22nd December, 2018 (New Delhi)-Rate changes

Posted On: 22 DEC 2018 4:50PM by PIB Delhi

GST Council in the 31<sup>st</sup> meeting held on 22<sup>nd</sup> December, 2018 at New Delhi took following decisions relating to changes in GST rates on goods and services. The decisions of the GST Council have been presented in this note for easy understanding. The same would be given effect to through Gazette notifications/ circulars which shall have force of law.

## I. GST rate reduction on goods which were attracting GST rate of 28% :

### A. 28% to 18%

- Pulleys, transmission shafts and cranks, gear boxes etc., falling under HS Code 8483
- Monitors and TVs of upto screen size of 32 inches
- Re-treaded or used pneumatic tyres of rubber;
- Power banks of lithium ion batteries. Lithium ion batteries are already at 18%. This will bring parity in GST rate of power bank and lithium ion battery.
- Digital cameras and video camera recorders
- Video game consoles and other games and sports requisites falling under HS code 9504.
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### B. 28% to 5%

- Parts and accessories for the carriages for disabled persons

## II. GST rate reduction on other goods,-

### A. 18% to 12%

- Cork roughly squared or debagged
- Articles of natural cork
- Agglomerated cork

### B. 18% to 5%

- Marble rubble

**C. 12% to 5%**

- Natural cork
- Walking Stick
- Fly ash Blocks

**D. 12% to Nil:**

- Music Books

**E. 5% to Nil**

- Vegetables, (uncooked or cooked by steaming or boiling in water), frozen, branded and put in a unit container
- Vegetable provisionally preserved (for example by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption.
- **III. GST on solar power generating plant and other renewable energy plants**
- GST rate of 5% rate has been prescribed on renewable energy devices & parts for their manufacture (bio gas plant/solar power based devices, solar power generating system (SGPS) etc) [falling under chapter 84, 85 or 94 of the Tariff]. Other goods or services used in these plants attract applicable GST.
- Certain disputes have arisen regarding GST rates where specified goods attracting 5% GST are supplied along with services of construction etc and other goods for solar power plant.
- To resolve the dispute the Council has recommended that in all such cases, the 70% of the gross value shall be deemed as the value of supply of said goods attracting 5% rate and the remaining portion (30%) of the aggregate value of such EPC contract shall be deemed as the value of supply of taxable service attracting standard GST rate.

**Reduction in GST rates/exemptions on services:**

- GST rate on cinema tickets above Rs. 100 shall be reduced from 28% to 18% and on cinema tickets upto Rs. 100 from 18% to 12%.
- GST rate on third party insurance premium of goods carrying vehicles shall be reduced from 18% to 12%
- Services supplied by banks to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY) shall be exempted.
- Air travel of pilgrims by non-scheduled/charter operations, for religious pilgrimage facilitated by the Government of India under bilateral arrangements shall attract the same rate of GST as applicable to similar flights in Economy class (i.e. 5% with ITC of input services).

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