

FAQs

(Frequently Asked Questions)



Rajeev Agarwal
SVP

(Outreach & Capability Building)
Goods and Services Tax Network (GSTN)

Tax Deducted at Source (TDS) in Goods & Services Tax (GST)

Q1: Is online shopping affected in any way, for the same product bought by different customers in different States?

A1: It will depend upon the price quoted by the supplier and tax rate prevailing in the respective States.

Q2: How can the Taxpayer amend his Return in case of any error produced?

Ans2: As per Section 39(9) of CGST Act, any omission, or incorrect particulars discovered after furnishing of Return other than as a result of scrutiny, audit, inspection or enforcement activity, can be rectified by the Tax Payer in the subject Return for the said period, subject to payment of interest under this Act. However no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of Return for the month of September or second quarter following the end of the financial year, or the actual date of furnishing the relevant annual return, whichever is earlier.

Q3: Date is 10 days for both deposit of GST and return submission, please clarify?

Ans3: As per Section 39(3) of CGST Act, in case of Tax Deductor, the Return is to be filed within 10 days of the following month in which such deductions are made. As per Section 51(2) the amount deducted as Tax shall be paid to the Government by the Deductor within ten days after the end of the month in which such deduction is made. Therefore the said period provides a window of 10 days for making payment and submission of Return and no clashing of dates unless both the activities are performed on the same date.

Q4: Up to how much amount/turnover there would be no GST Tax?

Ans4: As per the present provisions of Section 22 of CGST Act, all the suppliers (situated in other than special category states as mentioned in Article 279 A(4)(g) of the Indian Constitution) having aggregate turnover in a financial year exceeding 20 lakhs are required to register in GST. For the taxable persons of Special category States, the aggregate turnover limit is Rs. 10 lakh. Assam, Nagaland, Jammu & Kashmir, Arunachal Pradesh, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Sikkim, Tripura and Uttarakhand are special category states. Moreover, certain categories of persons as indicated in Section 24 of CGST Act like persons making any inter-state supply, persons required to pay tax under reverse charge, e-Commerce Operator, Input Service Distributors etc will have to be registered under GST regime irrespective of their turnover.

Q5: TAN will be issued to a position or in the name of individual? If it will be issued in the name of authority, are there any modalities in case of transfer, promotion,retirement etc?

Ans5: TAN will be issued for a person required to deduct tax under law, the person may be an individual, a firm, a company etc. You may please go through Income Tax provisions for further details.

Q6: What is the full form of ITC?

Ans6: It is called Input Tax Credit.

Q7: With so many APIs integrated in the portal, what happens when 100,000 concurrent users hit the portal?Will performance not scale down and in such case thread breaks can happen, which could lead to erroneous data inputs?

Ans7: Though your query is out of the scope of the topic of the webinar, still it is to inform you that the proposed GST System portal is being developed keeping in view all such situations.

Q8: I have applied for GST number, but they want DDO bank account number. However, in Punjab no DDO can have DDO bank account. Please tell how we can get GST number?

Ans8: The bank account number of the organization which is being used for transactions relating to receipts and payments may be provided.

Q9: What will the Proper Officer do if he is not satisfied with the clarification?

Ans9: The Proper Officer may call for the relevant documents and information, which the concerned person is under obligation to provide. Relevant Rules are still under consideration.

Q10: Does the entity have to opt for both SGST and CGST?

Ans10: Yes, for transaction within the State, both CGST and SGST will be applicable, for interstate supply, IGST will be applicable.

Q11: If the deducted amount is not credited to e-Cash ledger, what would be its status?

Ans11: As per Section 51(2) of CGST Act, the amount deducted as tax is to be paid to the Government by the Deductor within 10 days after the end of the month in which such deduction is made. And thereafter the Deductor shall claim credit, in prescribed manner in his electronic cash ledger, of the tax deducted and reflected in the return of the Deductor.

Q12: What is the time limit for filing revised return? What is the provision of Act? What happens when the Deductee takes credit the amount wrongly entered in their name before filing revised return?

Ans12: As per Section 39(3) of CGST Act, in case of Tax Deductor, the Return is to be filed within 10 days following the month in which such deductions are made. As per Section 39(9) of CGST Act, any omission, or incorrect particulars discovered after furnishing of Return other than as a result of scrutiny, audit, inspection or enforcement activity, can be rectified by the Tax payer in the subject Return for the said period, subject to payment of interest under this Act. However no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year, or the actual date of furnishing the relevant annual return, whichever is earlier. And any discrepancy in the statement /return before the furnishing of return can be modified on the basis of mismatch report generated by the GST System.

Q13: Show cause notice can be issued in certain cases barring the mis-statement or fraud. In case of the latter, which step is to be followed, if no SCN is to be served?

Ans13: Section 74 of CGST Act deals with situation related to fraud, mis-statement etc. As per subsection 5 of Section 74 ,such person before service of notice may pay the amount of tax alongwith the interest payable under Section 50 and penalty equivalent to 15% of such tax and inform the

Proper Officer in writing and on receipt of such information, no notice shall be served nor any penalty will be imposed. As per subsection 8 of Section 74, if the notice has been issued, that person may pay the said tax alongwith interest and a penalty equivalent to 25% of such tax within 30 days of issue of the notice, then all proceedings in respect of such notice shall be deemed to be concluded.

Q14: How will government departments which provide material from their side to contractors are treated under GST?

Ans14: As per Section 15 (2) (b) of the CGST Act such costs will be included in the value of supply.

Q15: Non-cheque drawing DDOs of subordinate offices deduct TDS at source for payments and also receive receipts on behalf of PAO of Ministry, what procedure should they follow for GST registration?

Ans15: Under Section 51 (1) of CGST Act, the government will notify the class of persons, which will be required to deduct tax at source.

Q16: Does TDS get reflected in invoice provided? What about general and kirana stores in organized market?

Ans16: TDS will reflect in the certificates to be provided by the Deductor to the Deductee and if the Deductee is also the registered person, it will reflect in part 2c of his GSTR 2.

Q17: Is separate TAN needed to be applied under GST in spite of having a TAN under Income Tax Act?

Ans17: Same TAN can be used while applying for GST registration.

Q18: Is the rate of interest 18 % per month or per year?

Ans18: It is upto 18% per year, the exact rate of interest payable is yet to be notified.

Q19: Can the existing TAN be used or a new TAN has to be obtained?

Ans19: Same TAN can be used while applying for GST registration.

Q20: Can refund be claimed if Tax is wrongly deducted by Deductor and gets credited in ledger of Deductee?

Ans20: As per Section 51(8), the refund to the Deductor or the Deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with the provisions of Section 54, provided that no refund to the Deductor shall be granted, if the amount deducted has been credited to the electronic cash ledger of the Deductee.

Q21: Please explain Recovery Section 74?

Ans21: It is requested that PPT on TDS may be referred to or Section 74 of CGST Act may be also be referred.

Q22: In case of any change in TAN, is a fresh registration required as it is in case of PAN?

Ans22: If TAN number is changed, a fresh registration application will have to be made.

Q23: Is the limit of Rs2.50Lacs for whole calendar year?

Ans23: Section 51 (1), prescribes for deduction of tax from the Deductee, where the total value of such supply, under a contract exceeds two lakh and fifty thousand rupees.

Q24: Please explain the time limit for issuance of show cause notice712229?

Ans24: In case of show cause notice issued under Section 73 of CGST Act, subsection 10, the prescribed time limit for issuance of order is three years from the due date for furnishing of annual return for the financial year to which the tax is not paid or short paid or input tax credit wrongly availed or utilized relates or within three years from the date of erroneous refund. In case of Notice issued under Section 74 of the CGST Act(in case of fraud, wilful- misstatement or suppression of facts to evade tax) the order is to be issued within a period of five years from the due date for furnishing of annual return for the financial year to which tax demand pertains.

Q25: Are the Presentation and Webinar available, if yes where to get the same?

Ans25: The Webinar Video Recording and Presentation are now available on Digital India Learning Management System (LMS) and Knowledge Management System (KMS) Portals as per the details below:-

For the Webinar Video recording:

Log-in/Register on> <https://lms.negd.in/>>Click on Collaboration tab (@bottom ribbon on the home page)> Click on Podcast tab> Play the webinar on TDS in GST: Registration in LMS is free for the government officials with valid government email IDs.

Or

Go to <https://kms.negd.in/> (no registration required)> Scroll down to 'Search Knowledge' screen > Type 'Webinar' or 'Webinar on GST' in search box> Click link to play the video.

For the Webinar Presentation:

Go to <https://kms.negd.in/> (no registration required)> Scroll down to 'Search Knowledge' screen > Type 'GST' or 'Tax Deduction at Source (TDS) Provisions in GST Regime' in search box> Click on the document for view.