

Registration

- Cancellation of registration under CGST Act means a cancellation of registration under SGST Act and vice-versa.

- No Centralized Registration concept in GST

- Liability to be registered irrespective of threshold
 - ❑ Persons making inter-State taxable supply
 - ❑ Persons required to pay tax under reverse charge
 - ❑ Casual and non-resident taxable persons
 - ❑ E-Commerce operator
 - ❑ Persons who supply goods through e-commerce operator
 - ❑ An aggregator who supplies services under his brand name
 - ❑ Input Service Distributor (ISD)
 - ❑ Persons required to deduct tax at source

Composition Scheme

- Small taxpayers with an aggregate turnover up to [Rs. 50 lakhs] in a FY shall be eligible for composition levy.
- Under the scheme, a taxpayer shall pay tax as a percentage of his turnover during the year without the benefit of ITC.
- The floor rate of tax for CGST and SGST shall not be less than [1%]
- A tax payer opting for composition levy shall **not** collect any tax from his customers.
- If opted, composition scheme will be applicable for all branches/units
- Tax payers making inter-State supplies or paying tax on reverse charge basis shall not be eligible for composition scheme.

Exemption

- On the recommendation of the Council, the Central/State Govt. may, by notification, exempt specified goods and/or services from payment of CGST/SGST.
- Exemptions are of two types: General and Conditional
- General exemptions are universal in nature and are issued in public interest.
- Conditional exemptions are issued in public interest to deal with circumstances of an exceptional nature.

Rate of tax in GST

- Revenue Neutral Rate (RNR) will be worked out
- GST rate to be decided by GST Council
 - Standard Rate - between 18% to 22%.
 - Merit Rate – around 12%
 - Special Rate – between 2% to 6%
 - Demerit rate – upto 40%
 - Composition Rate – CGST 2% & SGCST 2%

Input Tax Credit Set Off

- Manner of utilization of credit:
 - ❑ ITC on account of CGST shall first be utilized towards payment of CGST; the amount remaining, if any shall be utilized towards payment of IGST

 - ❑ ITC on account of SGST shall first be utilized towards payment of SGST; the amount remaining, if any shall be utilized towards payment of IGST.

 - ❑ No ITC on account of CGST shall be utilized towards payment of SGST and vice versa.

 - ❑ ITC on account of IGST shall first be utilized towards payment of IGST; the amount remaining, if any shall be utilized towards payment of CGST and SGST, in that order.

Input Tax Credit

- A taxable person may take the credit and utilize the same for payment of output tax.
- Unutilized credit can be carried forward or can be claimed as refund in certain situations.
- Condition for availing of ITC by taxable person:
 - ✓ he is in possession of a tax invoice
 - ✓ he has received the goods and/or services
 - ✓ the tax charged in respect of the supply has been paid to Government
 - ✓ he has furnished the return
- ITC cannot be availed on invoices which are more than one year old.
- ITC is available for business purposes and in respect of all taxable supplies.