

10 things to know before GST rollout

GST will be rolled out from July 1, 2017 and just before its implementation the Govt. had issued various notifications on GST.

Key takeaways from such notifications are given hereunder:

1. There is a requirement to mention HSN code of items in tax invoice under GST. Now the Govt. has given some relief to small assesseees with annual turnover upto Rs 1.5 crores. They are not required to mention HSN code in their tax invoice. Taxpayers having turnover in the range of Rs 1.5-5 crore will be required to mention only two digits of HSN code and taxpayers with turnover more than Rs 5 crore will be required to mention four digits of HSN code.
2. Now the Govt. has given exemption from reverse charge in those cases wherein the value of goods or services does not exceed Rs 5000 and such goods or services are received by registered person from the unregistered person.
3. Earlier Military canteens ('Canteen Stores Department') were not required to pay any indirect tax on purchase of goods. Now Military canteens will be required to pay GST at the time of purchase of goods and they would be entitled to refund of 50 percent of input tax under GST.
4. Now e-commerce operators (like Ola, Uber) are required to pay GST on radio taxi services.
5. Now e-commerce operators (like MMT, Oyo rooms) are required to pay GST on services of hotel accommodation only when such hotels are not registered under GST.
6. Exemption from reverse charge has been given to registered person on purchase of second hand goods from unregistered person subject to the condition that buyer will pay GST on its subsequent sales.
7. Now builders would not be able to claim credit of unutilized input tax on supply of construction services.
8. Earlier UN and Foreign diplomatic missions were not required to pay any indirect taxes. Now they are required to pay GST and they will be entitled to claim a refund of GST subsequently.
9. GST will be levied at rate of 5% on various goods used for petroleum operations subject to some conditions.
10. Any services provided by Panchayat will not be liable to GST.