

# GOODS & SERVICES TAX UPDATE – 17

## CENTRAL GOODS & SERVICES TAX

### Late fee waived for all tax-payers who could not file the GSTR-3B for the month of July 2017

The due date for filing FORM GSTR-3B for month of July 2017 was 25<sup>th</sup> August and as per section 47 of CGST Act,2017 and respective SGST Act of states a registered person on failure to furnish a return shall pay late fee of Rs. 100 for every day during which failure continues subject to maximum of Rs. 5000/-.

The Central Government vide [Notification No.28/2017-Central Tax, dated. 01-09-2017](#) has waived off the late fee payable under section 47 for failure to furnish the Return FORM GSTR-3B by due date for the month of July.

Taxpayers who have committed errors in GSTR 3B will be able to put the correct details in GSTR 1-2-3. However, interest will be leviable from all taxpayers who have not discharged their complete Tax liability for July 2017 by 25-08-2017. Mere payment in cash ledger will not be considered as payment, settlement of the same is necessary.

[[Notification No.28/2017-Central Tax, dated. 01-09-2017](#)]

### System based reconciliation of information furnished in form GSTR-1 and form GSTR-2 with Form GSTR-3B

As per the provisions of sub-rule (5) of Rule 61 of CGST Rules ,2017, the return in Form GSTR 3B was required to be furnished when the due dates for filing the Form GSTR-1 and Form GSTR-2 have been extended. After the return in Form GSTR-3B has been furnished, the process of reconciliation of information furnished in Form GSTR-3B with that furnished in Form GSTR-1 and Form GSTR-2 would be carried out in accordance with the provisions of sub-rule (6) of Rule 61 of CGST Rules,2017.

In this regard, Central government vide [Circular No.7/7/2017-GST dated 01-09-2017](#) has provided the detailed procedure for reconciliation of information furnished in form GSTR-3 and Form GSTR-3B which covers the following:

- **Furnishing of information in FORM GSTR- 1 & FORM GSTR-2**

It may be noted that after the registered person has filed his return in Form GSTR-3B and the statement of outward supplies in Form GSTR-1, the inward supplies shall be auto drafted and made available to him in form GSTR-2A than the registered person shall prepare the statement of inward supplies in GSTR 2 by adding, deleting or modifying the invoice details which has been communicated in form GSTR 2A ,adding information pertaining to details of imports, supplies attracting reverse charge received by registered person, supplies received from composition suppliers and exempt, nil rated & non-GST inward supplies.

- **Correction of erroneous details furnished in FORM GSTR-3B**

If the details of outward supplies and inward supplies have been under reported or excess reported in Form GSTR 3B the same may be correctly reported in the Form GSTR 1 & GSTR 2 respectively.

- **Action on the system-based reconciliation**

After the registered person, has furnished the statement of inward supplies in Form GSTR-2, the common portal shall auto draft Part A of return in Form GSTR-3 for the said month based on the

information furnished in Form GSTR-1 and Form GSTR-2. Based on the revised figures of output tax liability and eligible input tax credit, table 12 of Part B of form GSTR-3 shall be made available. The common portal would populate the correct figure of tax payable in column (2) of table 12 of Form GSTR-3, based on the information furnished in Form GSTR 1 and Form GSTR2.

- **Additional payment of taxes**

Where tax payable as per Form GSTR 3 is more than what has been paid as per GSTR-3B the common portal would show another instance of table 12 for making additional payment of taxes, the additional amount of tax payable can be paid by debiting the electronic cash or credit ledger along with applicable interest.

- **Additional claim of eligible ITC**

Where eligible ITC claimed by taxpayer in GSTR 3B is less than ITC eligible as per the details furnished in Form GSTR 2, the additional amount of ITC shall be credited to electronic credit ledger of the registered person when he submits the Return in Form GSTR-3

- **Reduction in output tax liability**

Where the output tax liability of registered person as per GSTR1 and GSTR-2 is less than the output tax liability as per the details furnished in GSTR-3B the excess shall be carried forward to the next month's return to be offset against output tax liability of the next month.

- **Submission of GSTR-3B without payment of taxes**

Where for some reason registered person has only submitted the return GSTR-3B and has not made payment of tax, the return shall still be subject to reconciliation process.

- **Processing of information furnished**

After submission of information in Form GSTR 1 and GSTR-2, the process of matching as per Sec 41,42,43 of act read with Rules 69 to 76 shall be carried out.

The detailed procedure as covered by aforesaid points are available at [www.cbec.gov.in](http://www.cbec.gov.in).

[[Circular No.7/7/2017-GST dated 01-09-2017](#)]

**Extension of Time limit for filing details in FORM GSTR-1, GSTR-2 and GSTR-3 for month of July and August**

The Central Government vide [Notification No. 29/2017-Central Tax, dated. 05-09-2017](#) has extended the time limit for filing of details in form GSTR-1 (Form for furnishing details of outward supplies), GSTR-2 (Form for furnishing details of inward supplies) and GSTR-3 (Form for furnishing consolidated details of inward and outward supplies) for the month of July 2017 and August,2017 till the time period as follows:

Sl. No.	Month	Details/Return	Time period for furnishing of details/Return
1.	July, 2017	FORM GSTR-1	Upto 10th September, 2017
		FORM GSTR-2	11 - 25th September, 2017
		FORM GSTR-3	Upto 30th September, 2017
2.	August, 2017	FORM GSTR-1	Upto 5th October, 2017
		FORM GSTR-2	6 - 10th October, 2017
		FORM GSTR-3	Upto 15th October, 2017

[[Notification No. 29/2017-Central Tax, dated. 05-09-2017](#)]

**FAQ's On levy of GST on supply of services to the co-operative society**

To guide taxpayers in relation to GST matters, CBEC has issued frequently asked questions related to levy of GST on supply of services to the co-operative society which are as follows:

<b>S. No.</b>	<b>Question</b>	<b>Answer</b>
<b>1.</b>	<p>The society collects the following charges from the members on quarterly basis as follows:</p> <ol style="list-style-type: none"> <li>1. Property Tax-actual as per Municipal Corporation of Greater Mumbai (MCGM)</li> <li>2. Water Tax- Municipal Corporation of Greater Mumbai (MCGM)</li> <li>3. Non- Agricultural Tax- Maharashtra State Government</li> <li>4. Electricity charges</li> <li>5. Sinking Fund- mandatory under the Bye-laws of the Co-operative Societies</li> <li>6. Repairs &amp; maintenance fund</li> <li>7. Car parking Charges</li> <li>8. Non-Occupancy Charges</li> <li>9. Simple interest for late payment.</li> </ol> <p>From the tax/ charge as listed above, on which GST is not applicable.</p>	<ol style="list-style-type: none"> <li>1. Services provided by the Central Government, State Government, Union territory or local authority to a person other than business entity, is exempted from GST. So, Property Tax, Water Tax, if collected by the RWA/Co-operative Society on behalf of the MCGM from individual flat owners, then GST is not leviable.</li> <li>2. Similarly, GST is not leviable on Non-Agricultural Tax, Electricity Charges etc, which are collected under other statutes from individual flat owners. However, if these charges are collected by the Society for generation of electricity by Society's generator or to provide drinking water facility or any other service, then such charges collected by the society are liable to GST.</li> <li>3. Sinking fund, repairs &amp; maintenance fund, car parking charges, Non- occupancy charges or simple interest for late payment, attract GST, as these charges are collected by the RWA/Co-operative Society for supply of services meant for its members.</li> </ol>
<b>2.</b>	<p>As per guidelines on maintenance charges upto Rs. 5000/- no GST is applicable. Maintenance charges means only maintenance or collection of all charges</p>	<p>This is applicable to only the reimbursements of charges or share of up to an amount of five thousand rupees per month per member for sourcing of goods or services from a third person for the common use of its members. Here, charges mean the individual contributions made by members of the society to avail services or goods by the society from a third party for common use. [*Entry 77(c) of notification no 12/2017 Central Tax (Rate) dated 28.6.2017 refers]</p>
<b>3.</b>	<p>Monthly maintenance (all above charges) are below Rs.5000/-but yearly total collection exceeds Rs. 20 lakhs limit whether GST is applicable</p>	<p>Reimbursement of charges or share of contribution up to an amount of Rs. 5000/- per month per member for sourcing of goods or services from a third person for the common use is not liable to GST. However, if the Cooperative society/ RWAs provide specific services of its own to its members or to any third party (e.g. use of community hall for social function by a non-member) cumulatively exceeds the threshold limit as per GST, then GST is leviable on such supply of services</p>
<b>4.</b>	<p>At present, we are following quarterly billing-whether we should change to monthly billing in view of the monthly return to be filed under</p>	<p>It is individual business decision</p>

*\*[Service by an unincorporated body or a non-profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution – (a) as a trade union; (b) for the provision of carrying out any activity which is exempt from the levy of Goods and service Tax; or (c) up to an amount of five thousand rupees per month per member for sourcing of goods or services from a third person for the common use of its members in a housing society or a residential complex.]*

*[<http://www.cbec.gov.in/resources/htdocs-cbec/gst/faq-cooperative-society.pdf>]*

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