

GOODS & SERVICES TAX UPDATE – 21

CENTRAL GOODS & SERVICES TAX

Transitional Issues arising with respect to payment of service tax under reverse charge after 30th June, 2017

Issues were raised by the trade for availment of credit arising out of payment of service tax due for the month of June 2017 on reverse charge basis post the GST regime by 5th/6th July, 2017. Doubts had arisen with regards to whether the details of credit should be included in the return in Form ST -3 or in Form GST TRAN-1.

The Central Government vide *Circular No. 207/5/2017-Service Tax* has clarified that, the details should be indicated in Part I of Form ST-3 in entries, I3.1.2.6, I32.2.6 and I3 3.2.6. Linked entries should be made in Part H of Form ST-3. In case the service tax return has already been filed by or after the due date, these details should be indicated in the revised return, the time of filing of which is 45 days from the date of filing of the return.

In order for assesseees to revise their ST-3 consequent to the issue of this instruction, all ST-3 returns for the period 1-4-2017 to 30-6-2017 which have been filed, **shall be deemed to have been filed on 31-8-2017**. 45 days from 31st August would be 15th October, 2017.

Once details of such credit are reflected in ST-3, the assessee may proceed to fill in the details in Form GST TRAN-1.

It may be noted that as on date, GST TRAN-1 can be filed upto 31-10-2017 and can also be revised, if filed.

Further, the said circular also provides for Payment of service tax on or after 1-7-2017 as a consequence of detection of evasion or any other circumstances

This issue is relevant in cases where an assessee is not registered under ACES. In the registration module of ACES, there is a category of “non assessee registration”. This may be used to obtain registration and make payment of service tax.

[*Circular No. 207/5/2017-Service Tax*]

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