

Key GST changes applicable from April 1, 2019: 7 things to know

The GST Council in the 32nd meeting, held on 10th January, 2019, had taken various key decisions which would have the impact of reducing the compliance burden of small taxpayers and which would bring certainty in various ambiguous matters. Some of these decisions have been made effective from April 1, 2019. In respect of certain controversial matters, the CBIC has issued various clarifications which would bring clarity to the taxpayers. Here is an insight of notifications and circulars issued by the CBIC on March 7, 2019.

1. New Scheme is now available @ 6% to Intra-State Suppliers of Goods or Services.

A new scheme has been recently introduced wherein an intra-state supplier can now pay GST at the rate of 6% (3% for Central and 3% for respective State) on first supplies of goods or services for Rs. 50 lakhs.

With effect from April 1, 2019 the benefit of this scheme can be availed. This scheme shall be available only if the aggregate turnover of supplier does not exceed Rs. 50 lakhs during the previous financial year. This has been made effective *vide* Notification No. 02/2019 - Central Tax (Rate) dated March 7, 2019.

The benefit of this scheme shall not be available to service providers who are rendering services in multiples states or through e-commerce websites. Thus, Chartered Accounts, Architects, etc. may not avail this scheme if they have clients in different states.

2. Threshold Limit for composition scheme has been increased to Rs. 1.5 crores

The existing threshold of gross turnover in previous financial year to avail the composition scheme has been increased from Rs. 1 crore to Rs. 1.5 crores. In respect of special category states (North-Eastern States), the threshold limit has been increased from Rs. 50 lakhs to Rs. 75 lakhs. Consequently, the taxable persons can substantially reduce their compliance burden as they would be required to file GST returns on quarterly basis instead of monthly. This benefit has been extended *vide* Notification No. 14/2019 - Central Tax dated March 7, 2019.

3. Threshold limit to take registration has been increased to Rs. 40 lakhs

As per Section 23 of CGST Act, every person is required to obtain the GST registration if his turnover from supply of goods or services exceeds Rs. 20 lakhs. This threshold limit has been increased to Rs. 40 lakhs if supplier is engaged in supply of goods. In other words, any person who is engaged in supply of goods and his total turnover in the current financial year does not exceed Rs. 40 lakhs, he is not required to take registration under GST. This exemption from GST registration is subject to various conditions, *inter-alia*, he is not making any inter-state supply, he is not a non-resident taxable person, etc. This has been made applicable by Notification No. 10/2019 - Central Tax dated March 7, 2019.

The effect of all changes in the threshold limit for GST registration and composition scheme has been

<i>Nature of supply</i>	<i>Turnover or Receipts</i>	<i>Registration</i>	<i>Composition scheme</i>	<i>Rate of tax for composition scheme</i>
	Up to 40 Lakhs	-	-	-
Goods	More than 40 Lakhs but up to 1.5 crore	✓	✓	1% of the turnover
	More than 1.5 crore	✓	-	-
Restaurant	Up to 20 Lakhs	-	-	-

Services	More than 20 Lakhs but up to 1.5 crore	✓	✓	5% of the turnover
	More than 1.5 crore	✓	-	-
	Up to 20 Lakhs	-	-	-
Other services	More than 20 Lakhs but up to 50 Lakhs	✓	✓	6% of the turnover
	More than 50 Lakhs	✓	-	-

enumerated in below table.

4. Due date for filing of GSTR-1 and GSTR-3B for has been announced

The due dates for filing of GSTR-1 and GSTR-3B for the months of April, May and June of 2019 has been notified, which shall be as follows:

Type of return	April, 2019	May, 2019	June, 2019
GSTR-1	May 11, 2019	June 11, 2019	July 11, 2019
(Turnover more than 1.5 crore) GSTR-1		July 31, 2019	
(Turnover up to 1.5 crore) GSTR-3B	May 20, 2019	June 20, 2019	July 20, 2019

Turnover limit of current or previous financial year shall be considered to determine the eligibility of the supplier for filing of monthly or quarterly GST return.

This has been made effective by Notification No. 11/2019, Notification No. 12/2019, and Notification No. 13/2019- Central Tax dated March 7, 2019.

5. Clarification issued for levy of GST on various sales promotional schemes.

The CBIC has issued clarifications on chargeability of GST, valuation of goods and reversal of ITC in respect of free samples and promotional goods distributed by a taxable person. This clarification has been issued in Circular No. 92/11/2019-GST.

6. No GST to be levied on TCS component collected by suppliers.

Valuation Rules specify that value of supply shall include any taxes, duties, cesses, fees and charges levied under any law for the time being in force except GST. Thus, CBIC has clarified that if supplier collects TCS from the buyer on sale of a product then GST shall not be charged on the TCS component collected by the supplier. This has been clarified in Corrigendum to Circular No. 76/50/2018-GST dated December 31, 2018.

7. GST Annual Return Forms GSTR-9 and 9A are now live on portal

Annual return in Form GSTR-9 and 9A are now live on portal. The last date for filing of Annual Return for the Financial Year 2017-18 is June 30, 2019.