

BIHAR CHAMBER OF COMMERCE & INDUSTRIES

MEMORANDUM TO SRI PIYUSH GOYAL

(Finance, Rail & Coal Minister) On 12.08.2018

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SUGGESTION ON GST LAW & RULES

1. RETURN

A. Revision of GSTR-3B and GSTR-1 for the period up to 30.06.2018

Presently, every registered person (other than ISD & Composition person) has to file two returns namely GSTR-1 & GSTR-3B. GSTR-3B is a consolidated monthly return meant for calculating the tax liability. It is suggested that facilities should be provided for making revision of monthly return GSTR-3B so as to rectify the mistake occurred. It will help taxpayers to make their return in accordance with the books of account.

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Furthermore, in view of the fact that GSTR-2 has been temporarily withdrawn, which essentially means that the details uploaded by the supplier which in turn appear in GSTR2A of the recipient has little meaning as Invoice matching is not being done. It is therefore suggested that the revision in GSTR-1 should also be allowed in order to rectify any mistake and to make GSTR-1 figures in accordance with the outward supply figure appearing in GSTR-3B. The revision in GSTR-1 is not going to affect the buyer and therefore, revision facility should be given to all for all the returns filed pertaining up to the period 30th June'18.

B. Delay Return Late fee Waiver

It is a fact that GST, being a new law for the tax payers, most of the taxpayers were not aware of the Law & Rules. Beside most of the persons were not having required infrastructure and above all there were technical issues with portal.

Under the above circumstances, many tax payers have failed to comply to the rules and regulations of GST and also in timely filing of their returns. Though, many persons filed their returns paying applicable late fees and it has been observed that even today 30 to 35% taxpayers haven't filed their returns. Though the system has almost stabilized however all such persons are reluctant to file their return due to the applicability of late fees, which is quite high for them to pay.

In order to bring all such defaulter taxpayers into the net and to regularize their returns, it's suggested to waive off late fee applicable for the delayed period.

It may please be noted here that at the time of introduction of GST, the government had assured the taxpayers that for the 1st year, tax payers shall not be penalized for any of their fault. Though the Government had waived off applicable late fees for the period upto Sep'17, it's suggested that GOI should waive the late fee at least for one year period i.e. upto June' 2018 so as to give everyone an opportunity to file their return without any late fee charges. It would enlarge the taxpayer base and also increase revenue collection of the government.

Following principle of equity and justice, all such tax payers who have already filed their return by paying late fees, such late fees should be refunded to them. The amount so paid is not a big amount but it will give a good message among the trade & business community while creating an atmosphere of trust & co-operation.

C. Clarification in respect of GSTR-2 & GSTR-3

There is confusion among Trade & Industry about the status of GSTR- 2 & GSTR-3 whether these forms/return would be asked to file at a later date or not.

Therefore, it is our request to clarify the legislatures intention in this regards.

D. GST Annual Return & TAR Due Date

Financial year 2017-18, being 1st year of GST implementation, by and large, there has occurred mistake with most of the taxpayers at the various level causing many practical issues to make reconciliation of books of account with GST Returns filed by the taxpayers.

On the other side, the last date to file GST Annual return is schedule on 30/09/2018 (for such person who are not required to get their account audited) but GST Annual Return Form hasn't yet been made available on the portal.

In view of the above fact, it is very much needed to extend the last date to file GST annual return (for such person who are not required to get their account audited) for a month i.e. up to 31/10/2018 provided the Annual Return Form is immediately made available. There must be 45-60 days time between the date on which form is made available & the last date of filing return.

Besides, such person who are required to get their a/c audited u/s 44AB of the IT act, are also feeling trouble due to the mismatch of their GST return with Books of a/c. The due date for filing TAR is scheduled on 30.09.2018 but it seems very difficult to make its compliance properly and therefore request you extend the date to file TAR upto 30/11/2018.

2. PAYMENT

A. Tax Payment & Delayed Interest

Presently, many taxpayers, who, due to unavoidable reasons, if unable to file their returns, but want to pay their tax liability to avoid applicable delayed interest, system does not allow them as payment made remains in cash ledgers, while the system admit once the liability is set off while submitting/filing return. This is unjustified for the genuine taxpayers.

Therefore, we request you to make the system efficient for tackling such situation and no interest should be demanded if the sufficient amount is lying in any of the cash ledger till the system is modified by the GSTN.

3 REGISTRATION

A. Registration Criteria - Taxable Turn In Lieu of Aggregate Turnover

As per section 22 of GST Act, every supplier whose aggregate turnover in a financial year exceeds 20 Lakh is liable for registration under GST.

In view of the above fact, the aggregate turnover is being taken in to account, person making even small quantum of taxable turnover, become liable for registration. For example a medical practitioner making supply of medicine to the patient involving small amount, is liable for registration.

It is suggested to consider taxable turnover into account rather than aggregate turnover.

4 GST RATE

A. Rationalisation of GST Rate on Readymade Garments

Presently, readymade Garments having transaction price upto Rs 1000 are taxed @5% and above Rs 1000 are taxed @12%.

Due to the above provision, the same product at one point of time is taxed @5% which at a later stage is taxed @12% causing a lot of difficulties in doing business.

It is therefore suggested to rationalize the rate of GST on Readymade Garments at an uniform rate of 5% .

5. INCENTIVE TO MSME

A. Incentive/reimbursement to Micro & Small Scale Industries

In the earlier tax regime, the manufacturers were levied excise duty on sale of produced goods. In order to support Micro and Small Industries, such units having turnover up to 1.5 crore were given exemption from the levy of excise duty.

It is therefore suggested that even in the present GST regime, the government should give support to the Micro & Small units either by giving incentives or reimbursement of the amount of CGST paid, which will enable such units to prosper.

SUGGESTION ON GST IMPLEMENTATION

1. GSTN PORTAL

A. Speed & efficiency

It is really praiseworthy that with tireless effort of all concerned, GST portal has now overcome the initial technical glitches.

But even now, it is not flawless as data uploaded on the portal takes very long time in its updation, which may range from 15 minutes to 24 hours even, whereas, it should be updated on real time basis.

We request you to take further steps to improve the system to meet the expectation of all stakeholders.

Presently, GSTN supports JSON files for both uploading & download, which do not be readable in text form and making conversion of these files in readable CSV format is also a cumbersome task and not at all user friendly. The situation further worsens, if number of uploaded items are more than 500.

Therefore, we request you to make the GSTN system efficient to handle CSV files directly.

B. View/download of data's

It has been observed that the GSTR-1 data's uploaded on portal do not appear in any specific order / sequence causing lot of difficulties either to view the uploaded data's or to verify/reconcile the same.

Similarly, the data's uploaded by the supplier reflect in GSTR-2A of the buyer but not in any specific order / sequence causing same trouble.

It is suggested to have filter option to view the uploaded data's as per choice of the taxpayers i.e. Invoice No. wise / Invoice Date wise / GSTIN wise / Buyer's Name wise etc. and also to download the same in excel XL format

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2. RETURN

A. Option to choose monthly / Quarterly

In the beginning of every new financial year, the taxpayers having turnover up to 1.5 Cr are asked to opt between monthly or quarterly filing of returns. It has been noticed that option to switch from quarterly to monthly filing is available but not vice versa i.e. from monthly to quarterly. It is suggested that unless the taxpayers do not exercise the option and file any return, it should be free to make change in option in both direction.

3. REFUND

A. Refund Incase of Inverted Tax structure.

In such a case, where goods supplied (specially by manufacturers / assemblers) are having inverted tax structure, the system for making ITC refund of such cases has not yet been activated causing blockage of working capital and industries are facing liquidity crunch and interest burden as well.

It is requested to simplify the refund process and to make refund of such input tax on priority basis.

4. REGISTRATION

A. Date of Liability

It has been observed that GST registration becomes effective from the date of issuance of certificates whereas it should be effective from the date of liability.

Due to the reason stated above if the date of liability and date of certificate falls in different months, the taxpayers are unable to file their returns and to pay their liability of the respective month.

It is suggested to look into the matter and do the needful.

5. EWAY BILL

A. Multi Vehicle option in E-way Bill

In present format of E-way bill, at one point of time, only single vehicle no. could be assigned for a specific e-way bill, which causes a lot of difficulties especially in case of import of goods. The reason being that if one e-way bill is issued for one single import consignment, which normally are large in volume, is usually transported through more than one vehicle and further the total goods crosses out of port on different dates, it creates a lot of difficulties to make transportation of these goods. So, there is need to have multi vehicle option in single e-way bill.

6. RCM

A. Import of Goods & Tax on Freight under RCM

As we all are aware, in course of making import of goods, IGST is leviable on CIF i.e. on the cost of goods + insurance + freight.

It has been brought to our knowledge that it is being asked to pay tax on freight charges under RCM, which is not at all proper and justified because IGST is already paid on the freight element and so again asking to pay under RCM will be double taxation. The issue may please be looked upon and to do the needful in this regard.
