

Important amendments made in line with recommendations made in 47th GST Council meeting

1. E-Invoicing - Declaration required

As per newly inserted clause (s) to Rule 46, every taxpayer having aggregate turnover in any preceding financial year from 2017-18 onwards more than 20 Crore, but is not required to issue e-invoice (eg. Govt. Dept, Bank, NBFC, Goods Transport Agency, etc.) should contain following declaration on its tax invoice:

“I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule.”

2. Electronic Cash Ledger.

UPI and IMPS have been included as new modes of payment for depositing amount in Electronic Cash Ledger of taxpayer;

3. Transfer from Electronic Cash Ledger

As per newly inserted sub-rule (14) to Rule 87, a taxpayer can transfer the amount available in Electronic Cash Ledger of one GSTIN to another GSTIN of same PAN (i.e. Distinct persons) in Form GST PMT 09. This facility is available for CGST & IGST only.

4. GSTR 3B - Amended

Section 9(5) read with Notification 17/2017-CGST(R) provides categories of services supplied through electronic commerce operator, and the tax on supply of which shall be paid by the electronic commerce operator under Reverse Charge. This includes services like Taxi, Hotel Accommodation, Restaurant and House Keeping.

Now Form GSTR 3B is amended to insert a new table 3.1.1 which requires separate disclosure of above-mentioned supplies made through Electronic Commerce Operator (ECO) and applicable tax thereon.

Further amendments are made which now requires separate disclosure of ITC reclaimed and ITC in-eligible as per section 16(4).

Service-Related Changes in Rate and exemptions (w.e.f 18.07.22)

5. Government Construction service provided as Works contract, as principal contractor or sub-contractor shall be taxable @ 18%;

6. Exemption given to Hotel Accommodation service having room rent upto Rs. 1,000 per day is now withdrawn;
7. Now a Goods Transport Agency (GTA) shall have option to itself charge and collect GST @ 5% on its invoice. This option is subject to following conditions:
 - i) GTA shall not be eligible take credit of input tax paid on goods and services used in supplying the service,
 - ii) This option to pay GST itself on the services supplied by it during a FY shall be exercised by making a declaration on or before the 15th March of the preceding FY. Option for the current FY 2022-2023 shall be exercised on or before the 16th August, 2022, and
 - iii) This option once exercised shall not be allowed to be changed within a period of one year from the date of exercising the option and will remain valid till the end of the financial year for which it is exercised.
8. GST at 5% levied on Hospital rooms (other than ICU) having room charges exceeding Rs. 5,000 per day to a person receiving health care services.
9. Exemption on Renting of Residential dwellings to GST Registered person is withdrawn. However, as a relief, the applicable GST on this service is to be paid by the registered recipient under reverse charge;
10. There has been value-based exemption of 750 & Rs. 1,500 on services provided by Goods Transport Agency (GTA) for small consignments. This exemption is now withdrawn.
12. Exemption on services provided by way of storage or warehousing of nuts, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea is withdrawn. Now this exemption shall continue only for cereals, pulses, fruits and vegetables.
13. Exemptions on service provided by various Government bodies like RBI, SEBI, IRDA, FSSAI & GSTN is now being withdrawn;

Related Changes in Rate and exemptions (w.e.f 18.07.22)

14. Exemption on various non-branded food items like Wheat, Rice, Flour, Paneer, Honey, Gur, etc which are pre-packaged and labelled has been withdrawn. 5% GST would be payable on pre-packaged and labelled products

15. Tax rates on products such as printing, writing or drawing ink; knives with cutting blades, paper knives, forks, spoons, ladles and pencil sharpeners; LED lights and lamps; drawing and marking out instruments hiked from earlier 12% to new rate of 18% from
16. The GST rate on cut and polished diamonds has been increased from 0.25 per cent to 1.5 per cent.
17. The GST rate on finished leather has been increased to 12 percent.
18. CBIC has extended the following time limits:
 - a) specified under section 73(10) for issuance of order under section 73(9), for recovery of tax not paid or short paid or of input tax credit wrongly availed or utilized, in respect of a tax period for the financial year 2017-18, up to the day of September, 2023;
 - b) excludes the period from the March 01, 2020 to the February 28, 2022 for computation of period of limitation under section 73(10) for issuance of order under section 73(9), for recovery of erroneous refund;
 - c) excludes the period from the March 01, 2020 to the February 28, 2022 for computation of period of limitation for filing refund application u/s 54 or 55.
19. Notification No. 10/2022-CT has been issued to exempt the registered person whose aggregate turnover in the financial year 2021-22 is up to Rs. 2 crore, from filing annual return for the said financial year form GSTR-9/9A.

Date Extended

20. Extend the waiver of late fee for delay in filing FORM GSTR-4 for FY 2021-22 from 30 June 2022 to 28 July 2022.

Section Applicability

21. From 5th day of July, 2022 the provisions of clause (c) of section 110 and section 111 of the said Act shall come into force.

Amendments related to GST refunds

22. **Inverted duty structure:** Refund under inverted duty structure proposed to be allowed for ITC on input services as well.

22. **Integrated GST (IGST) refund claims:** For exporters identified as risky and requiring verification of IGST refund by the GST authorities, a facility is to be provided for online transmission of such IGST refund claims to the jurisdictional GST authorities for expeditious processing and disposal.
23. **Exclusion of time period for filing refund claim:** Time period from March 1, 2020 to February 28, 2022 is proposed to be excluded from calculation of the limitation period for filing refund claim by an applicant and also for issuance of demand/order in respect of erroneous refunds.
24. **Re-credit of erroneous refund to electronic credit ledger:** In cases where erroneous refund amount sanctioned to a taxpayer is deposited by them along with interest and penalty, re-credit of the amount in electronic credit ledger is proposed, for which a new FORM GST PMT-03A is recommended to be introduced. This will enable the taxpayers to get re-credit of the amount of erroneous refund, paid back by them, in their electronic credit ledger.
25. **Refund of ITC of export of electricity:** Exporters of electricity will be eligible to claim refund of unutilized ITC on such zero-rated supplies.
26. **Withdrawal of refund of accumulated ITC on edible oils and coal.**