Goods and Services Tax (GST)

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**Goods and Services Tax (GST):**

- The **goods and services tax** (GST) is an Indirect tax levied state and central government to selling of goods and services.
- It’s value-added tax levied on most goods and services.
- The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.

There are four types GST IGST, SGST, CGST, and UTGST.

- The reform of India's indirect tax regime was started in 1986 by Vishwanath Pratap Singh, Finance Minister in Rajiv Gandhi’s government.
- The tax came into effect from 1 July 2017.
- The GST is imposed at variable rates on variable items.
- It is a comprehensive, multistage, destination-based tax.
- The GST replaced existing multiple taxes levied by the central and state governments.
- The tax rates, rules and regulations are governed by the GST Council.
- GST Council is the governing body of GST having 33 members.
Types of taxes

Direct taxes

- A Direct tax is imposed directly on the taxpayer.
- Direct tax directly paid to the Government by the person on whom it’s imposed.
- Direct tax cannot be transferred or shifted to another person.
- Eg: An Individual pays income-tax on his income directly to the government.
- Eg: Income tax, Wealth tax, Gift tax, etc.,

Indirect taxes

- The person who collects tax on sale / supply of a commodity.
- Indirect tax is passed on at every stage till the commodity finally reaches the consumer.
- Tax incidence is passed on at every stage till the goods or services finally reaches the consumer.
- Eg: 1. Central excise duty, Sale tax, Luxury tax, octroi tax, CENVAT, etc.,
Intra-state Supply

- In case of Intra-state supply, Goods or services are supplied within state or Union territory.
- CGST will be pay to the central government
- SGST (UTGST) is payable to the state government (or union territory)

Inter-state supply

- In case of inter-state supply, goods or services are supply from one state or union territory to another state or territory.
- IGST is applicable, if supply is beyond 12 nautical miles but up to 200 nautical miles.
- IGST is payable to central government.
### Inter-state supply

Ex: Mr. Arun of Maharashtra sells 10,000 units of an article at the rate of ₹ 210 per article. Mr. Prashant purchaser of Delhi. GST rate is 12%. This is inter-state supply. (i.e. Supply between two different state of Maharashtra and Delhi)

| Taxable value (10,000 unit × ₹ 210) | ₹21,00,000 |
| Add: GST | |
| IGST (12% of ₹ 21,00,000) | ₹ 2,52,000 |

Total Amount charged by Mr. Arun = ₹ 23,52,000

IGST is payable to Central Government.

### Intra-state Supply

Ex: Mr. Arun of Shirur sell 10,000 unit of article at the rate of ₹ 210 per article. Purchase is Mr. Prashant of Pune. GST rate is 12%. This is intra state supply. (i.e. Seller and buyer within same state)

Taxable value of supply (10,000 × ₹ 210) = 21,00,000

Add: CGST @ 6% of ₹ 21,00,000 = 1,26,000

Add: SGST @ 6% of ₹ 21,00,000 = 1,26,000

Total Amount charged by Mr. Arun = 23,52,000
GST Applicable & Rates:

1. Business: Trade, commerce, manufacture, profession, vocation or any other similar activity, irrespective of its volume or frequency. It also includes supply of goods/ services for starting or closure of a business.

2. Services: anything other than goods. It is likely that services & goods carry a different GST rate.

3. Persons: Individuals, HUF, Company, Firm, LLP, AOP, Co-operative society, Society, Trust etc. GST does not apply to Agriculturists.
**GST not applicable:**

1. Petroleum products. (i.e. Petroleum crude, high speed diesel, motor spirit and Petrol).
2. Natural gas and Aviation turbine fuel,
3. Alcoholic Liquor,
4. Tobacco products,

**GST Rate:**

NIL, 0.25%, 3%, 5%, 12%, 18%, 28%.
• GSTIN No: Registration is PAN based.
• Registration is required for each state separately where the manufacturing, services units.
• One single registration for each state is sufficient.
• GST Registration number of 15 digit.
• First two digit represents the state code,
• Next 10 digits represents the PAN of the applicant,
• Next one digit representing entity code,
• Next one digit is left blank,
• Last one digit is check digit.

Ex: Mr. Arun of Maharashtra get the following GSTIN no. 27BENPD9119L1Z1
• Maharashtra state code : 27
• PAN No: BENPD9119L
• Next one digit : 1 (it’s entity code of taxpayers)
• Next one digit : Z (blank number)
• Last one digit : 1 (Check digit)
GST Login Procedure for First time user:

1. Visit www.gst.gov.in and click on the ‘Login’ button at the top right-hand corner of your screen.

2. On the login page, click on the word ‘here’ that you will find in the line: First time login: If you are logging in for the first time, click here to login.

3. Enter your Provisional ID/GSTIN/UIN and password as received via email.

4. Enter the new username and password that you wish to use in the future and click on ‘Submit’.

5. Go back to the login page, and login with your new credentials.

To visit following link to know how to GST Registration process:
https://images.app.goo.gl/ayHFsgdDf3XeDMAw5
GST Registration Process:

1. Visit www.gst.gov.in and click on ‘New Registration’ listed under the ‘Services’ tab.

2. Enter details such as personal profile type, business name, state, email ID, mobile number and then click on Proceed.

3. Use the OTPs you get on your mobile and email ID to generate your Temporary Reference Number (TRN).

4. Click on ‘New Registration’ again and use your TRN this time.

5. Edit your application, upload documents, enter details and submit your application via the ‘Verification’ tab.

6. Use the GST Application Reference Number that you get to check the status of your application in the future.
### Full form of some important terms:

- **GST**: Goods and services tax
- **CGST**: Central goods and services tax
- **SGST**: State goods and services tax
- **UTGST**: Union territory goods and services tax
- **IGST**: Integrated goods and services tax
- **CGST act**: Central goods and services tax act 2017
- **IGST act**: Integrated goods and services tax act 2017
- **UTGST act**: Union territory goods and services tax act 2017
- **CGST rule**: Central goods and services tax rules 2017
- **UTGST rules**: Union territory goods and services tax rules 2017
THANK YOU