



Payment of Tax

CHAPTER X OF THE CGST ACT

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DEPOSIT OF TAX & ELECTRONIC CASH LEDGER



- Any person wanting to deposit, shall **generate a challan** in FORM GST PMT-06 on the common portal (which shall be valid for 15 days) and enter the details of the amount to be deposited by him towards tax, interest, penalty, fees or any other amount.
- If payment is by unregistered person, then it shall be made on the basis of a **temporary identification number** generated through the common portal, by the tax officer.
- **Modes:** Deposit can be made by -
 - Internet banking through authorised banks (Directly through portal)
 - Credit or debit cards through the authorised bank (Directly through portal)
 - NEFT/ RTGS from any bank (The mandate form shall be generated along with the challan on the common portal and the same shall be submitted to the bank, it shall also be valid for 15 days only)
 - Over the Counter payment through authorised banks for deposits up to Rs. 10,000 per challan per tax period, by cash, cheque or demand draft. Restriction of Rs. 10,000 shall not apply to deposit to be made by –
 - Government Departments or any other deposit to be made by persons as may be notified by the Commissioner;
 - Proper officer or any other officer authorised to recover outstanding dues from any person, whether registered or not, including recovery made through attachment or sale of movable or immovable properties;
 - Proper officer or any other officer authorised for the amounts collected by way of cash, cheque or demand draft during any investigation or enforcement activity or any *ad hoc* deposit.

DEPOSIT OF TAX & ELECTRONIC CASH LEDGER

- The **commission**, if any, payable in respect of such payment shall be borne by the person making such payment.
- On successful credit of the amount to the concerned government account maintained in the authorised bank, a **Challan Identification Number (CIN)** shall be generated by the collecting bank and the same shall be indicated in the challan.
- On receipt of the CIN, the amount shall be **credited** to the electronic cash ledger of such person maintained in FORM GST PMT-05, and a receipt shall be generated.

NON RECEIPT OF CIN

- Where the bank account is **debited but no CIN is generated**/ communicated to the common portal, the person may represent (complaint) to the bank/ electronic gateway through which the deposit was initiated, electronically in FORM GST PMT-07 through the common portal.



SPECIAL FOR OIDAR SERVICES PROVIDER

{OIDAR = Online Information & Database Access or Retrieval}



- A person supplying OIDAR services from a place outside India to a NTOL referred to in Sec 14 of the IGST Act may also do so through the Board's payment system namely, Electronic Accounting System in Excise and Service Tax (**EASIEST**) and may also pay through **international money transfer** through Society for Worldwide Interbank Financial Telecommunication payment network, from the date to be notified by the Board.

OTHER TRANSACTIONS

- Any **TDS** deducted/ **TCS** collected, and claimed by assessee in Form GSTR-2, shall be credited to the Electronic Cash Ledger.
- Where any **refund** is claimed, the amount shall be debited from the ledger.
- Where **refund is rejected** (wholly or partially), amount to extent of rejection shall be credited to the ledger by the PO by an order made in FORM GST PMT-03. (Refund deemed to be rejected if the relevant appeal is finally rejected or if the claimant gives an undertaking to the proper officer that he shall not file an appeal)
- If RTP notices any **discrepancy** in his electronic cash ledger, he shall communicate the same to the officer exercising jurisdiction in the matter, through the common portal in FORM GST PMT-04.
- The **balance** in the Cash ledger may be refunded in accordance with the provisions of Sec 54



ELECTRONIC CREDIT LEDGER

- The **input tax credit as self-assessed** in the return of a RTP shall be credited to his electronic credit ledger in accordance with Sec 41, maintained in FORM GST PMT-02.
- The amount available may be used for making any payment towards → tax, interest, penalty, fees or any other amount payable under the provisions of this Act or the rules made thereunder.
- The ledger shall be debited to the extent of discharge of any liability as per Sec 49.
- The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the IGST Act in such manner and subject to such conditions and within such time as may be prescribed.
- The amount of input tax credit available in the electronic credit ledger of the RTP on account of—
 - IGST shall first be utilised towards IGST, then CGST, then SGST/ UTGST, in that order.
 - CGST shall first be utilised towards CGST, then IGST.
 - SGST shall first be utilised towards SGST, then IGST.
 - UTGST shall first be utilised towards UTGST then IGST.
 - {CGST shall not be utilised towards SGST/ UTGST; and the SGST/ UTGST shall not be utilised towards CGST}

ELECTRONIC CREDIT LEDGER

- The unutilized balance in the Credit ledger after payment of tax, interest, penalty, fee or any other amount payable under this Act or the rules made thereunder may be refunded as per Sec 54, the amount of refund claim shall be debited in the ledger.
- If the refund so filed is rejected (fully or partly) the amount debited earlier shall be re-credited by the PO by an order made in FORM GST PMT-03 to the extent of rejection. (A refund shall be deemed to be rejected, if the appeal is finally rejected or if the claimant gives an undertaking to the PO that he shall not file an appeal)
- No entry shall be made directly in the electronic credit ledger under any circumstance.
- If RTP notices any discrepancy in his electronic credit ledger, he shall communicate the same to the officer exercising jurisdiction in the matter, through the common portal in FORM GST PMT-04.



ELECTRONIC LIABILITY REGISTER



- All **liabilities** of a taxable person under this Act shall be **recorded and maintained** in an electronic liability register in FORM GST PMT-01 for each person liable to pay tax, interest, penalty, late fee or any other amount on the common portal.
- The electronic liability register of the person shall be **debited** by-
 - a) The amount payable towards tax, interest, late fee or any other amount payable as per the return furnished;
 - b) The amount of tax, interest, penalty or any other amount payable as determined by a PO in pursuance of any proceedings under the Act or as ascertained by the said person;
 - c) The amount of tax and interest payable as a result of mismatch under Sec 42// 50;
 - d) Any amount of interest that may accrue from time to time.
- RTP shall discharge his tax and other dues under this Act or the rules made thereunder in the following order, namely:--
 - a) Self-assessed tax, and other dues related to returns of previous tax periods;
 - b) Self-assessed tax, and other dues related to the return of the current tax period;
 - c) Any other amount payable under this Act/ rules including the demand determined under Sec 73/ 74.

“Tax dues” means the tax payable under this Act and does not include interest, fee and penalty; and “other dues” means interest, penalty, fee or any other amount payable under this Act or the rules made thereunder.
- Payment of every liability by a RTP as per his return shall be made → by debiting the electronic credit ledger or the electronic cash ledger, and the electronic liability register shall be credited accordingly.

ELECTRONIC LIABILITY REGISTER

- The TDS/ TCS/ amount payable on RCM/ composition tax payable/ any amount payable towards interest, penalty, fee or any other amount under the Act shall be paid → by debiting the electronic cash ledger only, and the electronic liability register shall be credited accordingly.
- Any amount of demand debited in the electronic liability register shall stand reduced to the extent of relief given by the appellate authority or Appellate Tribunal or court and the electronic tax liability register shall be credited accordingly.
- The amount of penalty imposed or liable to be imposed shall stand reduced partly or fully, as the case may be, if the taxable person makes the payment of tax, interest and penalty specified in the show cause notice or demand order and the electronic liability register shall be credited accordingly.
- If RTP notices any discrepancy in his electronic liability ledger, he shall communicate the same to the officer exercising jurisdiction in the matter, through the common portal in FORM GST PMT-04.

UNIQUE IDENTIFICATION NUMBER

A Unique identification number shall be generated at the common portal for –

- Each debit or credit to the electronic cash or credit ledger, as the case may be.
- Each discharge of any liability in the electronic liability register. Also for any credit due to reasons other than discharge.

INTEREST ON DELAY/ UNDUE OR EXCESS CLAIM OF ITC OR REDUCTION

- Every person who fails to pay the tax or any part thereof within the prescribed time limit, shall on his own, pay interest at such rate, not exceeding 18%, as may be notified; for the period for which the amount remains unpaid. (Currently 18% notified)
- The interest shall be calculated from the day succeeding the day on which such tax was due to be paid.
- A taxable person who makes an undue or excess claim of input tax credit under sub-Sec (10) of Sec 42 or undue or excess reduction in output tax liability under sub-Sec (10) of Sec 43, shall pay interest on such amount, at such rate not exceeding 24%, as may be notified.

DEEMED PASSING OF INCIDENCE

Every person who has paid the tax on goods or services or both under this Act shall be deemed to have passed on the full incidence of such tax to the recipient, unless the contrary is proved by him.



TAX DEDUCTION AT SOURCE (SEC 51)



- NWA in this Act, the Government may mandate,--
 - a) a department or establishment of the CG/ SG; or
 - b) local authority; or
 - c) Governmental agencies; or
 - d) such persons or category of persons as may be notified by the Government on the recommendations of the Council, (hereafter in this Sec referred to as “the deductor”),
- To **deduct tax** at the rate of **1%** from the payment made or credited to the supplier (“the deductee”) of taxable goods or services or both, **where** the total **value** of such supply, under a contract, **exceeds Rs. 2.5 lakhs**. {We shall call such amount as TDS}
- **No deduction** shall be made **if** the **location** of the supplier and the place of supply is in a State/ UT which is different from the State/ UT of registration of the recipient.
- The **value** of supply shall be taken as the amount excluding the CGST, SGST, UTGST, IGST and cess indicated in the invoice.
- The TDS deducted shall be **paid** to the Government by the deductor within 10 days after the end of the month in which such deduction is made. If any deductor fails to pay, liable to pay **interest** in addition, at rate notified u/s 50(1). [**18%**]

TAX DEDUCTION AT SOURCE (SEC 51)

- The deductor shall furnish to the deductee a **certificate** mentioning therein the contract value, rate of deduction, amount deducted, amount paid to the Government and such other particulars in such manner as may be prescribed. If **fails** to furnish the certificate within 5 days of crediting the TDS so deducted to the Government, he shall pay a late fee of **Rs. 100 per day** from the day after expiry of 5 days period until the failure is rectified, upto **maximum Rs. 5000**.
- The **deductee** shall claim **credit** of the TDS deducted and reflected in the return of the deductor furnished under sub-Sec (3) of Sec 39, in his electronic cash ledger.
- The determination of the amount in **default** under this Sec shall be made in the manner specified in Sec 73/ 74.
- The **refund** to the deductor/ deductee arising on account of excess/ erroneous deduction shall be dealt with in accordance with the provisions of Sec 54. **No refund** to the deductor shall be granted, if the TDS deducted has been credited to the electronic cash ledger of the deductee.

TAX COLLECTION AT SOURCE (SEC 52)



- NWA anything in this Act, **every E-Commerce Operator** (“operator”) (not being an agent), **shall collect** an amount calculated at such rate as may be notified not exceeding 1% of the net value (the aggregate value of taxable supplies made during any month, except services u/s 9(5), and net of any sales returns) of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator. {We will call such amount as TCS}
- The **power to collect** TCS shall be without prejudice to any other mode of recovery from the operator.
- The TCS collected shall be **paid** to the Government by the operator within 10 days after the end of the month in which such collection is made.
- Every operator shall furnish a **statement**, electronically, containing the details of outward supplies effected through it, including returns through it, and the TCS collected during a month within 10 days after the end of such month. (See returns chapter)
- Every operator who collects TCS shall furnish an **annual statement**, electronically, containing the details of outward supplies effected through it, including returns through it, and the TCS collected during the FY, before 31st December of next FY.
- If any operator after furnishing a statement, discovers any omission or incorrect particulars therein (other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities), he shall **rectify** in the statement to be furnished for the month during which they are noticed, and pay applicable **interest**, as specified in Sec 50(1). No such rectification shall be allowed after the due date for furnishing of statement for the month of September of next FY, or the actual date of furnishing of the relevant annual statement, whichever is earlier.

TAX COLLECTION AT SOURCE (SEC 52)

- The **supplier** who has supplied through the operator shall **claim credit** of the TCS collected and reflected in the statement of the operator, in his electronic cash ledger.
- The details of supplies furnished by every operator shall be **matched** with the corresponding details of outward supplies furnished by the concerned supplier. Where the details do not match, the discrepancy shall be communicated to both persons.
- If after communication of discrepancy, it is not rectified by the supplier in his valid return or by the operator in his statement, for the month in which discrepancy is communicated, and, where the value furnished by the operator is more than the value furnished by the supplier, then the difference shall be **added to the output tax liability** of the said supplier in his return for the month succeeding the month in which the discrepancy is communicated.
- The concerned supplier shall **pay** the tax payable, along with **interest** at the rate specified under Sec 50(1) on the amount so added from the date such tax was due till the date of its payment.
- Any authority not below the rank of Deputy Commissioner may serve a **notice**, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to—
- **Supplies** effected through such operator during any period; or
- **Stock** of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers.
- Every operator on whom such notice has been served, shall furnish the required information within 15 working days. If fails to furnish the information required, shall be liable to a penalty which may extend to Rs. 25,000, without prejudice to any action that may be taken under Sec 122.

TRANSFER OF CREDIT (SECTION 53)

- On utilisation of ITC of CGST for payment of tax dues under the IGST Act, the amount collected as CGST shall stand reduced by such amount, and the Central Government shall transfer such amount from the CGST account to the IGST account.

End of Presentation!

What we learned →



- Electronic Cash Ledger
 - Deposit
 - Non Receipt of CIN
 - Special for OIDAR service provider
 - Other transactions
- Electronic Credit Ledger
- Electronic Liability Register
- Unique identification number
- Deemed passing of incidence
- Interest on Delay/ Undue or excess Claim of ITC or Reduction
- TDS (Sec 51)
- Tax Collection at Source (Sec 52)
- Transfer of Credit (Section 53)

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