

B.COM LLB IV Sem GST Unit I Levy and Collection Tax

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Levy and Collection Tax

Taxable Event in GST

Meaning of Taxable Event- 'Taxable event' is that on the happening of which the charge is fixed. It is that event, which on its occurrence creates or attracts the liability to tax. Such liability does not accrue at any earlier or later point of time. Even though taxable event happens to be at a particular point of time, the levy and collection of such tax may be postponed for administrative convenience, to a later date.

Supply of Goods or Services or both is "Taxable Event" in GST

Goods and Services Tax on supply of goods or services, or both, except taxes on the supply of alcoholic liquor for human consumption [Article 366(12A) of Constitution of India]

Levy and collection

Levy and collection as per CGST Act, 2017

(a) U/s 9(1) of CGST Act, 2017 there shall be levied a tax –

- Called the Central Goods and Services Tax(CGST);
 - On all the intra-state supplies of goods or services or both, except on supply of alcoholic liquor for human consumption;
 - On the value determined u/s 15; and
 - At such a rate (maximum 20%,) as notified by the Central Government on recommendation of GST Council; and
 - Collected in such a manner as may be prescribed; and
 - Shall be paid by the taxable person.
- (b) U/s 9(2) of CGST Act 2017, the CGST of following supply shall be levied with the effect from such date as notified by the Central Government on recommendation of GST Council-

Levy and collection cont....

- Petroleum crude
- High speed diesel
- Motor spirit (commonly known as petrol)
- Natural gas
- Aviation turbine fuel

(c) U/s 9(3), CGST is to be paid on reverse charge basis by the recipient on notified goods/ services or both (liability to pay tax by the recipient of supply of goods / services rather than supplier of goods/ services under forward charge)

(d) U/s 9(4), CGST on taxable supply of goods/ services to registered supplier from unregistered supplier is to be paid on reverse charge basis by the recipient.

(e) U/s 9(5), E-Commerce operator is liable to pay CGST on

Levy and collection cont....

notified intra-state supplies.

Levy and collection as per IGST Act, 2017

(a) U/s 5(1) of IGST Act, 2017 there shall be levied a tax –

- Called the Integrated Goods and Services Tax (IGST);
- On all the inter-state supplies of goods or services or both, except on supply of alcoholic liquor for human consumption;
- On the value determined u/s 15 of CGST Act, 2017; and
- At such a rate (maximum 40%,) as notified by the Central Government on recommendation of GST Council; and
- Collected in such a manner as may be prescribed; and
- Shall be paid by the taxable person.

Provided further that IGST will be imposed on goods/ services imported into India.

Levy and collection cont....

(b) U/s 5(2) of IGST Act, 2017, the CGST of following supply shall be levied with the effect from such date as notified by the Central Government on recommendation of GST Council-

- Petroleum crude
- High speed diesel
- Motor spirit (commonly known as petrol)
- Natural gas
- Aviation turbine fuel

(c) U/s 5(3), IGST is to be paid on reverse charge basis by the recipient on notified goods/ services or both (liability to pay tax by the recipient of supply of goods / services rather than supplier of goods/ services under forward charge).

(d) U/s 5(4), IGST on taxable inter-state supply of goods/ services

Levy and collection cont....

to registered supplier from unregistered supplier (agriculturist) is to be paid on reverse charge basis by the recipient.

(e) U/s 5(5), E-Commerce operator is liable to pay CGST on notified inter-state supplies.

Levy of Compensation cess

The Goods and Services Tax(Compensation to State) Act, 2017(Compensation Cess Act), provide for payment of compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for a period of five years.