

Key Changes of 38th GST Council Meeting

The 38th GST Council meeting was held on December 18, 2019 under the Chairmanship of the Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman. The GST Council has taken several decisions in order to improve revenue collection, GST rates rationalization such as uniform rates for lottery under GST, extension of due date for annual return, waiver of late fees for GSTR-1, etc.

Following are the major recommendations of the 38th GST Council meeting:-

1. Extension of due date of GSTR-9 and GSTR-9C

Due date for annual return in Form GSTR-9 and reconciliation statement in Form GSTR-9C for F.Y. 2017-18 to be extended to 31-1-2020 from 31-12-2019.

2. Waiver of late fee of pending GSTR-1

Late fee in respect of all pending GSTR-1 for the period July, 2017 to November, 2019, to be waived off, if the same are filed by 10-1-2020. It will be a welcome step.

3. Blocking of e-way bill on non-furnishing of GSTR-1

Apart from blocking of e-way bill facility for non-filing of GSTR-3B for the last two successive months which became operational from November, 2019, the e-way bill shall also be blocked on account of non-filing of GSTR-1 for two tax periods.

4. ITC restriction of invoices not reflected in GSTR-2A reduced to 10%

There was lot of hue and cry amongst trade due to Notification no. 49/2019-CT dated 09.10.2019 as it restricts ITC. However it will further exaggerate their pain as restriction of Input tax credit to the recipient for invoices or debit notes that are not reflected in his Form GSTR-2A reduced to 10% from earlier 20% imposed vide Rule 36(4), of the eligible credit available in respect of invoices or debit notes reflected in his Form GSTR-2A.

5. Constitution of Grievance Redressal Committee at Zonal/State level

To address grievances of specific or general nature of taxpayers, Grievance Redressal Committees (GRC) will be constituted at the Zonal/ State level with both CGST and SGST officers including representatives of trade and industry and other GST stakeholders. It was need of the hour.

6. Fraudulently availed ITC to be blocked

Now a days there are lot of cases regarding issuance of fake invoices and the dealers / purchasers claiming ITC against such invoices. It was well needed step to take some suitable action to block fraudulently availed input tax credit in such situations to control fake invoice generation.

7. Extension of GST return for North Eastern States

Due date of filing GST returns for the month of November, 2019 to be extended in respect of a few North Eastern States.

8. Exemption from upfront amount for long term lease to entity with 20% or ownership of Central/State govt.

Upfront amount payable for long term lease of industrial/ financial infrastructure plots by an entity having 20% or more ownership of Central or State Government to be exempted from GST with effect from 1-1-2020.

9. Single GST rate of 28% on lottery

Uniform rate of 28% GST to be levied on both State run and State authorized lottery from 1-3-2020.

10. Bags & sacks (woven/non-woven) made of polyethylene or polypropylene strips to be taxed at 18% GST

Woven and non-woven bags and sacks of polyethylene or polypropylene strips or the like, laminated or not, classified under HSN code 3923 or 6305 to be chargeable at the rate of 18% GST from 12% GST rate with effect from 1-1-2020.