

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

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**LOK SABHA
STARRED QUESTION No. 256
TO BE ANSWERED ON FRIDAY, THE 3rd AUGUST, 2018
SHRAVANA 12, 1940 (SAKA)**

QUESTION

SIMPLIFICATION OF GST

†*256. SHRI BHARAT SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes for simplification of the Goods and Services Tax (GST) and digitalization of businesses transaction relating to small traders/tradings in view of the problems being faced by the small traders under GST regime;
- (b) if so, the details thereof and the time by which it is likely to be completed; and
- (c) if not, the reasons therefor?

**ANSWER
FINANCE MINISTER
(SHRI PIYUSH GOYAL)**

(a) to (c) A Statement is laid on the table of the House.

STATEMENT AS REFERRED TO IN REPLY TO PART A TO C OF LOK SABHA STARRED QUESTION NO. 256 FOR ANSWER ON 3rd AUGUST 2018/ SHRAVANA 12, 1940 (SAKA) REGARDING SIMPLIFICATION OF GST

(a), (b) & (c) Yes Sir. The Government has taken a number of initiatives for simplification of GST and digitalization of business transactions relating to small traders. Based on the recommendations of the GST Council made especially during its 22nd, 27th and 28th meetings held on 6th October 2017, 4th May 2018 and 21st July 2018 respectively, the following decisions have been taken :-

- i. Service providers making inter-State supplies whose aggregate annual turnover does not exceed Rs. 20 lakhs have been exempted from the requirement of registration under GST vide notification No. 10/2017 – Integrated Tax dated 13.10.2017.
- ii. Domestic supplies to holders of Advance Authorization (AA) / Export promotion for Capital Goods (EPCG) and Export Oriented Units (EOUs) are treated as deemed exports under section 147 of CGST Act, 2017. Further, the refund of tax paid on such supplies is given to either the supplier or the recipient of such supplies.
- iii. The supply of taxable goods by a registered supplier to a merchant exporter for exports shall attract a total GST rate of 0.1%. This provision has been made effective vide notification No. 40/2017-Central Tax (Rate) dated 23.10.2017. This will reduce capital blockage for exporters.
- iv. Registered persons making supply of goods are now required to make payment of tax at the time of the issuance of invoice and not at the time when advances are received. This has been implemented vide issuance of notification No. 66/2017 – Central Tax dated 15th November, 2017.
- v. The threshold exemption limit for registration in the States of Assam, Arunachal Pradesh, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand is being increased to Rs. 20 Lakhs from Rs. 10 Lakhs.
- vi. Taxpayers may opt for multiple registrations within a State or Union territory in respect of multiple places of business located within the same State/Union territory.
- vii. The upper limit of turnover for opting for composition scheme is being increased from Rs. 1 crore to Rs. 1.5 crores.
- viii. The provisions of reverse charge mechanism under sub-section (4) of section 9 of the Central Goods and Services Tax Act, 2017 and sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017 have been suspended till 30.09.2019.

- ix. Composition dealers shall be allowed to supply services (other than restaurant services), for upto a value not exceeding 10% of turnover in the preceding financial year, or Rs. 5 lakhs, whichever is higher.
- x. Taxpayers who have a turnover upto Rs. 5 crores in the previous financial year shall be considered small and they shall have facility to file quarterly return with monthly payment of taxes on self-declaration basis. For such taxpayers, simplified returns have been designed called Sahaj and Sugam. Taxpayers who have no purchases, no output tax liability and no input tax credit to avail in any quarter of the financial year shall file one NIL return for the entire quarter.
- xi. A proposal to provide rebate in GST for payments made through digital mode to speed up digital payments was placed before the GST Council. Thereafter, a Group of Ministers (GoM) was constituted by the GST Council to look into the issue in further detail. A final decision in this matter would be taken by the GST Council based on the recommendations of the GoM.
- xii. The e-way bill system has been introduced nation-wide for inter-State movement of goods with effect from 1st April, 2018 while the States were given the option to choose any date till 3rd June, 2018 for the introduction of the e-way bill system for intra-State supplies. Consequently, all the States have notified the e-way bill system for intra-State supplies, the last being the National Capital Territory of Delhi which introduced it with effect from 16th June, 2018. The e-way bill system has made it possible to transport goods across State borders without the hassle of documentation and long waiting time at State border check posts. There is no need to visit any tax officers or check posts for generation of e-way Bill as it can be easily generated round the clock on the common portal.