

Tax Collected at Source

In

GST

Sec 52
Rule 67

CA Venugopal Gella
Venu and Vinay
Chartered Accountants

Contents

- What is TCS?
- Who are the persons required to Collect tax?
- When should TCS be paid
- Registration
- TCS statement
- Errors & rectifications
- Credit & Matching
- Non-compliance consequence

What is TCS?

- Tax Collected at Source : wef 1st Oct 2018 by Notn. 51/2018 – CT dated 13th Sept 2018
- Tax collected by e-commerce operator when a supplier supplies some goods or services through its portal and the payment for that supply is collected by the e-commerce operator
- $TCS = (0.5\% \text{ CGST} + 0.5\% \text{ SGST})$ of Net Value of taxable supplies made through e-comm portal
- Supplier gets = price of the product /services minus TCS

Definitions

- Electronic commerce operator
- any person who owns, operates or manages digital or electronic facility or platform for e-commerce
- Example: Amazon, Flipkart

- Net Value of Taxable Supplies
- Aggregate value of taxable supplies of goods/services
- – Aggregate value of returned taxable supplies

- Value of net taxable supplies is calculated at GSTIN level.

- *Section 9(5) not included
- *Agents not included

TCS not applicable

- Exempt supplies
- Section 9(5) not included
- Agents not included
- Supplies made by the e-commerce operator on its own account

Sec 9(5)-Notn 17/2017 & 23/2017 – CT(Rate)

- Specific categories of services as notified that are supplied through ecommerce operators, the e-commerce operators are responsible to pay tax to the government.
- Transportation of passengers
 - by a radio-taxi, motorcab, maxicab and motor cycle – Eg: Uber, Ola
- Accommodation
 - in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through electronic commerce operator is liable for registration under CGST Act – Eg: Oyo Rooms
- House-keeping,
 - such as plumbing, carpentering etc, except where the person supplying such service through electronic commerce operator is liable for registration under CGST Act – Eg: Urban Clap

When?

- When

- TCS to be collected once supply has been made through the e-com operator and where the business model is that the consideration is to be collected by the e-commerce operator irrespective of the actual collection of the consideration.

- Eg,

- if the supply has taken place through the ecommerce operator on 30/10/2018, but consideration has been collected in the Nov2018, then TCS for such supply has to be collected and reported in the statement for Oct 2018

- TCS So collected

- to be deposited to Govt a/c by the 10th of the following month, during which such collection is made

Registration

Registration

- compulsorily register under GST – normal registration (File Reg-01)
 - e-commerce operator [Sec24(x)]
 - supplier supplying through an operator [Sec24(ix)]
- Threshold limit of Rs. 20 lakhs (10 lakhs for special category states) - NOT applicable
- Additionally, for TCS e-commerce operator to obtain another registration (File Reg-07)
- Registration certificate to be issued in REG-06

Registration steps

- Go to the GST Portal at www.gst.gov.in
- Click on the “Services” Tab → Click on “Registration” → Select “New Registration”.
- Find the box “I am a” which will capture your status as an applicant. Select “Tax Collector(e-commerce)” from the drop-down menu.
- Now find the box “State” and select your State (e.g. KARNATAKA) from the drop-down Menu.
- Select the applicable district (e.g. MYSURU) from the drop- down Menu in the “District” box.
- Find the box “Legal name of the Tax collector”. Enter the name as mentioned in PAN. Please don’t deviate from such data.

Registration steps

- Enter your PAN, e-mail address and Mobile Number in the respective boxes. Please ensure that this e-mail and mobile are regularly accessed by you. OTP for registration will be sent to these contacts only.
- Enter the Captcha Code as displayed onscreen.
- Click on the button “Proceed”.
- Automatically you will be guided to the next page.
- The system will also send 2 different OTPs. One to the Mobile Number and another to the e-mail id as entered by you.

Registration steps – Post OTP

- Enter the individual OTPs sent to your e-mail id & the Mobile number in the respective boxes.
- In case, you have not received the OTPs due to any reason, you may click on the link “Click here to resend the OTP”.
- Click on the button “Proceed”.
- A Temporary Reference Number (TRN) will be generated.
- Now, you have to fill up the rest of the details in the Registration Application against this TRN only.
- Click on the button “Proceed” to leave this page.
- This TRN will be valid for 15 days. So you can always come back to the system for filling up the rest of the details at any time within such 15 days.
- In case this TRN expires, you will have to follow the steps as detailed in Part I and Part II all afresh.

TCS Statement

Monthly statement – GSTR 8

- Form GSTR-8, electronically, within 10 days from the end of the month in terms of Sec 52(4) r/w Rule 67(1) e
- Contain all the details regarding:
 - a. Outward supplies of Goods and Services
 - b. Return of goods and services
- Supplier can take the input credit of such TCS deducted by the e-commerce operator after filing of GSTR-8 by the e-commerce operator
- Amount of TCS will be reflected in Part C of Form GSTR-2A of the supplier

Form GSTR-8

Home Page of Central Board x CGST_09102018.pdfjsessionid: x 503gi.P65 x What is TCS (Tax Collected At S x GSTR-8 : Return Filing, Format x + - □ ×

← → ↻ ⓘ Not secure | cbic.gov.in/resources/htdocs-cbec/gst/CGST_09102018.pdfjsessionid=B725C1F93D544FF5C162C60354C45A6C 🔍 ☆ R ⋮

FORM GSTR - 8
[See rule 67(1)]

Statement for tax collection at source

Year				
Month				

1.	GSTIN	
2.	(a) Legal name of the registered person	Auto Populated
	(b) Trade name, if any	Auto Populated

3. Details of supplies made through e-commerce operator
(Amount in Rs. for all Tables)

GSTIN of the supplier	Details of supplies made which attract TCS			Amount of tax collected at source		
	Gross value of supplies made	Value of supplies returned	Net amount liable for TCS	Integrated Tax	Central Tax	State /UT Tax
1	2	3	4	5	6	7
3A. Supplies made to registered persons						
3B. Supplies made to unregistered persons						

4. Amendments to details of supplies in respect of any earlier statement

Original details			Revised details					
Month	GSTIN of supplier	GSTIN of supplier	Details of supplies made which attract TCS			Amount of tax collected at source		
			Gross value of supplies	Value of supply	Net amount	Integrated Tax	Central Tax	State/UT Tax

51 GST Flyer_Chapter 48.pdf x Home Page of Central Board o x CGST_09102018.pdf;jsessionid= x 503gi.P65 x 503gi.P65 x + - □ ×

← → ↻ ⓘ Not secure | cbic.gov.in/resources//htdocs-cbec/gst/CGST_09102018.pdf;jsessionid=3BA7CEF7D0D1D8BCA8CF2F60A84DB74C 🔍 ☆ R ⋮

Original details		Revised details						
Month	GSTIN of supplier	GSTIN of supplier	Details of supplies made which attract TCS			Amount of tax collected at source		
			Gross value of supplies made	Value of supply returned	Net amount liable for TCS	Integrated Tax	Central Tax	State/UT Tax
1	2	3	4	5	6	7	8	9
4A. Supplies made to registered persons								
4B. Supplies made to unregistered persons								

5. Details of interest

On account of	Amount in default	Amount of interest		
		Integrated Tax	Central Tax	State /UT Tax

278

5. Details of interest

On account of	Amount in default	Amount of interest		
		Integrated Tax	Central Tax	State /UT Tax
1	2	3	4	5
Late payment of TCS amount				

51 GST Flyer_Chapter 48.pdf x Home Page of Central Board o x CGST_09102018.pdfjsessionid= x 503gi.P65 x 503gi.P65 x + - □ x

← → ↻ Not secure | cbic.gov.in/resources//htdocs-cbec/gst/CGST_09102018.pdfjsessionid=3BA7CEF7D0D1D8BCA8CF2F60A84DB74C 🔍 ☆ R ⋮

6. Tax payable and paid

Description	Tax payable	Amount paid
1	2	3
(a) Integrated Tax		
(b) Central Tax		
(c) State / UT Tax		

7. Interest payable and paid

Description	Amount of interest payable	Amount paid
1	2	3
(a) Integrated tax		
(b) Central Tax		
(c) State/UT Tax		

8. Refund claimed from electronic cash ledger

Windows taskbar: how to get help in w... CGST_09102018.pdfj... TCS Screen shot CGST Act [Compati... Microsoft Excel (Pro... 11:09 PM

8. Refund claimed from electronic cash ledger

Description	Tax	Interest	Penalty	Other	Debit Entry Nos.
1	2	3	4	5	6
(a) Integrated tax					
(b) Central Tax					
(c) State/UT Tax					
Bank Account Details (Drop Down)					

Debit entries in cash ledger for TCS/interest payment [to be populated after payment of tax and submissions of return]

Description	Tax paid in cash	Interest
1	2	3
(a) Integrated tax		
(b) Central Tax		
(c) State/UT Tax		

Verification

Annual statement

- To be filed electronically, containing all the details, u/s 52(3) regarding:
 - a. Outward supplies of Goods and Services
 - b. Return of goods and services during the Financial Year,
- Before 31st December following the end of such Financial Year.

Errors & Rectification

Error in Monthly statement

- In case any errors or omissions are detected in the statement by the operator other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities then he shall rectify the same in the statement of month of such discovery.
- Interest to be paid at 18% for short deduction of tax

Exception to Rectification:

- No rectification will be allowed-
- After the due date of furnishing the statement for the month of September following the end of Financial Year
- OR
- Actual date of furnishing the Annual Statement, whichever is earlier.

Credit & Matching

Credit of tax collected:

- Tax collected by the operator shall be credited to the cash ledger of the supplier who has supplied the goods/services through the Operator
- Supplier can claim credit of tax collected and reflected in the return by the Operator in his [supplier's] electronic cash ledger.
- Supplier can take the input credit of such TCS deducted by the e-commerce operator after filing of GSTR-8 by the e-commerce operator.

Matching of details of supplies:

- Details of the supplies, including the value of supplies, submitted by every operator in the statements will be matched with the details of supplies submitted by all such suppliers in their returns
- If there is any discrepancy in the value of supplies, the same would be communicated to both of them. If such discrepancy in value is not rectified within the given time, then such amount would be added to the output tax liability of such supplier
- Supplier will have to pay differential amount of output tax along with interest

Consequence of Non-Compliance

Non-compliance consequence

- Sec 122 :
 - liable to pay a penalty of ten thousand rupees or an amount equivalent to higher of the following
 - tax evaded or
 - tax not collected under section 52 or short collected or
 - collected but not paid to the Government or
 - input tax credit availed of or passed on or distributed irregularly, or
 - the refund claimed fraudulently

Notice to the Operator:

- An officer not below the rank of Dy. Commissioner can issue notice to an Operator asking him to furnish details relating to volume of goods/ services supplied, stock of goods lying in warehouses/ godowns, etc.
- The Operator is required to furnish such details within 15 working days under sub-section (13) of Section 52 of the Act
-
- In case an Operator fails to furnish the information, besides being liable for penal action under section 122 shall also be liable for penalty up to Rs. 25,000/-

Thank You

For Clarifications, mail to
venu@vnv.ca