

**EMMANUEL SHARON**

**ANIL NAMBIAR & ASSOCIATES**

**44/1430,CJRA 88,**

**PALLATH NAGAR,**

**SOUTH JANATHA ROAD**

**PALARIVATTOM**

**TAX DEDUCTED AT SOURCE**

**UNDER GST LAW**

## **APPLICABILITY**

**The following persons are required to deduct TDS .**

- **A department or establishment of the central Government or state Government.**
- **Local Authority.**
- **Government Agencies.**
- **Such persons or category of persons as may be notified by the Government on the recommendations of the Council.**

**The Central Government has by Notification No.50/2018 -CT dated 13.09.2018 specified the following persons**

- **An authority or a board or any other body**
  - (i) Set up by an Act of Parliament or state Legislature.**
  - (ii) Established by any Government with 51% or more participation by way of equity or control ,to carry any function.**

### **Tax deduction is not required when**

- **Total value of taxable supply is less than Rs.2.5 Lakhs in a contract. How ever in the case if the Contract value for both Taxable and Nontaxable supply is more than Rs.2.5 Lakhs but the value of taxable supply is less than Rs.2.5 Lakhs Tax is not to be deducted.**
- **Receipt of services or goods which are exempt.**
- **Goods on which GST is not leviable.**
  - **Location of the supplier and place of supply is different from the location of the recipient.**
  - **Where tax is to be paid on reverse charge by the recipient.**
  - **Where the payment is made to an unregistered supplier.**
  - **Where the payment relates to "Cess" component.**

# **NON APPLICABILITY OF TDS**

## **TDS is required not to be deducted**

- **Supply is made from one public service undertaking to another public sector undertaking.**
- **All the officers attached to the Ministry of Defence other than those listed in Annexure A to the notification No. 57/2018-CT dated 23.10.2018 are not liable to deduct tax at source.**

# PROCEDURE FOR TAX DEDUCTION

➤ **Quantum of Tax**

2% of payment made or credited to supplier of taxable goods or services.

➤ **Payment of tax**

Within 10 days after the end of the month in which deduction is made.

➤ **Issuance of Certificate**

Certificate in Form GSTR 7A is to be issued within 5 days of crediting the amount to the Government.

The certificate shall mention the contract value, rate of deduction, amount deducted, amount paid to appropriate Government and such other particulars as may be prescribed.

Failure to furnish the certificate will attract a late fee of Rs.100 per days from the day of expiry of 5<sup>th</sup> day till the failure is rectified.

### ➤ **Filing of Returns**

A return in form GSTR7 is to be filed electronically by the deductor. The return is to be filed within 10 days after the end of the month in which deduction is made.

Following information is to be declared by the deductor in GSTR -7

- ✓ GSTIN
- ✓ Legal name of the Deductor & Trade Name.
- ✓ Details of tax deducted at source.
- ✓ Amendments of details of TDS in respect of any earlier period
- ✓ Tax deduction at source and paid.
- ✓ Interest, late fee payable and paid.
- ✓ Refund claimed from electronic cash ledger.
- ✓ Debit entries in electronic cash ledger for TDS/interest payments.