

Important GST updates (Till 7th November 2024)

Time Limit for Reporting E-Invoice on the IRP Portal

From 1st April 2025, taxpayers with an Annual Aggregate Turnover (AATO) of Rs.10 crores and above would not be allowed to report e-Invoices older than 30 days from the date of reporting on IRP portals.

This would apply to all document types (Invoices/Credit Notes/Debit Notes) for which an IRN is to be generated.

Thus, system will not allow any backdated generating of E invoice after 30 days from the date of invoice.

However, no such reporting restriction on taxpayers with an AATO of less than 10 crores.

Invoice Management system (IMS)

IMS will help in matching ITC claim of recipient vis a vis invoices issued by their suppliers for availing the correct ITC and shall allow the recipient to either accept or reject an invoice or to keep it pending in the system, which can be availed later.

Based on the actions taken by the recipient, their ITC claim under GSTR 2B will get amended.

If no action is taken by recipient on IMS, then then ITC appearing in GSTR 2B will be treated as accepted.

Procedural aspect of it is clarified through draft manual and FAQ.

RCM on Rent

In the 54th GST council meeting, GST on RCM was proposed on renting of commercial property by unregistered person to registered person.

Accordingly, notification No. 9/2024-CT (Rate) was inserted by clarifying following

“Service by way renting of any property other than residential dwelling” is liable for RCM effective from 10th October 2024.

It is worth noting that, in the 54th GST council meeting recommendation was made for RCM on renting of commercial property by unregistered person to registered person.

However, the words used in notification 9/2024 CTR, '**any property other than residential dwelling**' could mean any property be it a **movable/immovable**.

From the reading of the explanation in the said notification it could cover even movable property taken on rent from unregistered person like plant or machinery, furniture etc.

However, this drafting error was rectified by lawmakers by issuing corrigendum dt 22nd October 2024 by clarifying that any property should be read as any immovable property.

Thus, RCM is applicable only on renting of commercial property by unregistered person to registered person.

Electronic Credit Reversal and Re-claimed Statement

Vide Notification No. 14/2022 read with circular 170/02/2022-GST, Dated 6th July,2022, certain changes were introduced in Table 4 of Form GSTR-3B regarding availment and reversal of ITC along-with reporting of re-claimed and ineligible ITC.

Accordingly, the re-claimable ITC earlier reversed in Table 4(B)(2) may be subsequently reclaimed in Table 4(A)(5) on fulfilment of necessary conditions and such reclaimed ITC also needs to be reported in Table 4(D)(1).

For this new ledger namely “Electronic Credit Reversal and Re-claimed Statement” was introduced on the GST portal from August 2023. Accordingly, taxpayers were also given an opportunity to report their cumulative ITC reversal as an opening balance in the newly introduced Electronic Credit Reversal and Re-claimed Statement.

Again, onetime final opportunity is given to amend the opening balance of ITC reclaimed and reversal statement as at 01st August 2023 before 30th November 2024.

Amnesty Scheme u/s 128A

Waiver of Interest and penalty for outstanding dues u/s 73 for the period July 2017 to March 20, is now notified u/s 128A read with rule 164 w.e.f. 1st November 2024.

To avail the benefit of the amnesty scheme Tax payment has to be done in full on/before 31st March 2025.

Procedural aspect of the scheme is clarified through circular 238/32/2024 and notification 21/2024 central tax.

Advisory on form DRC-03A (challan for GST demand payments)

Most of the taxpayers generally pay GST demand through DRC-03 instead of using payment facility ‘**Payment towards demand**’ available on GST portal. This has led to a situation where even though demand has been paid by the taxpayer, but still, it is appearing as outstanding on the electronic liability register.

To address this issue, the government has notified a new Form named GST DRC-03A which was notified vide Notification No. 12/2024 dated. 10th July 2024.

Taxpayers can use the DRC-03A Form to link the payment made vide DRC-03 with the demand order. Only DRC-03 forms where the cause of payment is either Voluntary/Others can be used in the Form GST DRC-03A.

Taxpayers will be required to enter the ARN of the DRC-03 along with the relevant demand order number on the portal. Upon entering the ARN and selecting the demand order number of any outstanding demand, the system will auto-populate relevant information of the DRC-03 form as well as from the specified demand order against which the payment is to be adjusted. Once the adjustment is made, corresponding entries will automatically be posted in the taxpayer's liability ledger to reflect the updated status of demands.

Other important changes.

Interstate invoice wise B2C reporting thresh hold is reduced from Rs 2.5 lakh to Rs. 1 lakh.

N/N 17/2024-Central Tax dt 27th September 2024 : This notification announces the commencement dates for specific provisions of the Finance Act, 2024 which shall come into effect from 27th September 2024 and from 1st November 2024.