

Budget 2020-GST Amendments

GST Amendments proposed in the Finance Bill No. 26 of 2020

The changes proposed in Finance Bill 2020 with respect to GST have been tabulated below: These amendments will come into effect from the date of its enactment after receiving assent from President of India.

| Section under Finance Bill 2020 | Section under CGST Act,2017 | Description |
|---------------------------------|--|---|
| 116 | Section 2(114)(c) &(d)- Definition | Amendment to definition of Union Territory has been made in line with the reorganisation of J&K and Ladakh (UT) and Daman & Diu. |
| 117 | Section 10- Composition Levy | Since composition scheme has been introduced to services, the words services has been inserted in clauses (b) (c) (d) of Sec 10(2) which deals with eligibility conditions for composition scheme. |
| 118 | Section 16(4)- Input tax credit | At present ITC of GST paid on debit note is linked to the date of original invoice and restriction is applied according to the date of invoice. Now, the eligibility of ITC on debit note will be based on the date of issue of debit note. |
| 119 | Section 29- Cancellation of Registration | As per the amendment, the voluntarily registered person can choose to opt out which is not available as per the current provisions. |

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| 120 | Section 30- Revocation of cancellation | The application for revocation against the cancellation order shall be filed within 30 days from the date of cancellation order. As per the amendment, the Additional Commissioner/Joint Commissioner are given powers to extend this time limit to further 30 days and the Commissioner can extend it to further 30 days more. Therefore, in total the assessee is getting 90 days time for filing revocation application from the date of cancellation order. |
| 121 | Section 31- tax invoice | As per the amendment, the Government on the recommendation of council can specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed. |
| 122 | Section 51- TDS | TDS certificate shall be issued in such prescribed form and manner by the Government. Sub section related to late fees has been removed. |
| 124 | Sec 122- Penalty for certain offences | Penalty equivalent to tax evaded can be imposed on person retaining the benefit of transaction which involves fraudulent practice of bill trading. In other words, penalty has been extended to recipient also. |
| 125 | Section 132: Punishment to certain offences | Consequent to changes made in Section 122, punishment under Section 132 has been extended to person who is causing to commit or retaining the benefit out of fraudulent transaction. Further, punishment has been extended to persons who have fraudulently availed ITC without any invoice or bill. |
| 126 | Section 140- transitional credit | The power to fix time limit for allowing transitional credit is inserted retrospectively to overcome the lacuna pointed out by the courts. |

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| 127 | Section 168- Powers to issue instructions | Powers to issue instructions or direction with respect to Section 66(5) dealing with audit expenses/ CA or CMA remuneration has been removed from Section 168. Further, the words "except second proviso" has been added to Section 143. In other words, the commissioner need not take approval from Board for exercise of powers under the above sections. |
| 128 | Section 172- Removal of Difficulties | The time limit for issuing removal of difficulty orders has been extended from 3 years to 5 years from the commencement of Act. |
| 129 | Schedule II | As per the amendment, transfer of business assets will be treated as supply subject to payment of consideration. |
| 130 | Retrospective amendment in Notification | Fish meal under head 2301 is exempted from levy of GST upto 30.09.2019. Supply of pulley, wheels and other parts falling under heading 8483 and used as parts of agricultural machinery under 8432, 8433, 8436 during the period 01.07.2017-31.12.2018 shall be subject to tax @ 6%. No refund shall be made of all such tax which has been collected contrary to the above retrospective amendment. |
