

# **TDS in GST**

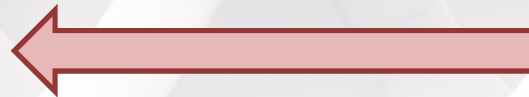
## **(From 01.10.2018)**

# Tax Deducted at Source(TDS)



**DEDUCTEE/ PAYEE**

**SERVICE PROVIDE**



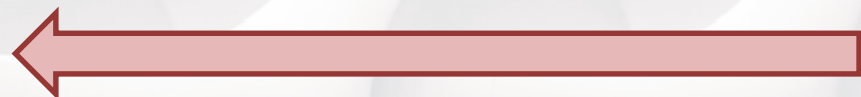
**PAYMENT AFTER DEDUCTING  
TDS**



**DEDUCTOR/PAYER**

## What is TDS in GST?

Supply of Goods/Services of value exceeding ₹ 250000



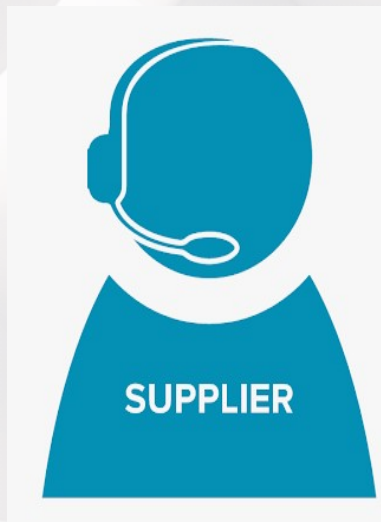
Payment after deduction of TDS @



**Supplier/Deductee**  
**Buyer/Deductor**

# Effect in Supplier Ledgers

The amount deducted by deductor will be reflected in credit of suppliers Electronic Cash Ledger



From: 01/06/2020 To: 30/06/2020

Viewing Ledger details from 01/06/2020 to 30/06/2020

Date of debit/Debit	Time of deposit	Reporting date (by bank)	Reference No.	Tax Period, if applicable	Description	Transaction Type (Debit/Credit)	Amount debited / credited (₹)			
							Integrated Tax	Central Tax	State Tax	Cess
-	-	-	-	-	Opening Balance	-	-	-	-	
6/2020	11:42:34	30/06/2020	216314500	-	Amount deposited	Credit	800	400	400	
6/2020	-	-	DC0706200189984	Mar-20	Other than reverse charge	Debit	800	400	400	
-	-	-	-	-	Closing Balance	-	-	-	-	

## Types of Buyer/Deductor

1. Department/Establishment of Central/State Government.
2. Local Authority
3. Government Agencies
4. Notified category by Government
  - a) authority/board set up by act of Parliament/State legislature/Government with 51% or more participation by way of equity or control.
  - b) Society established by Central/State Government or Local authority under Societies Registration Act 1860.
  - c) Public Sector Undertakings

## When TDS is not liable to be deducted?

Location of  
Supplier/  
Place of Supply

Location of  
Recipient

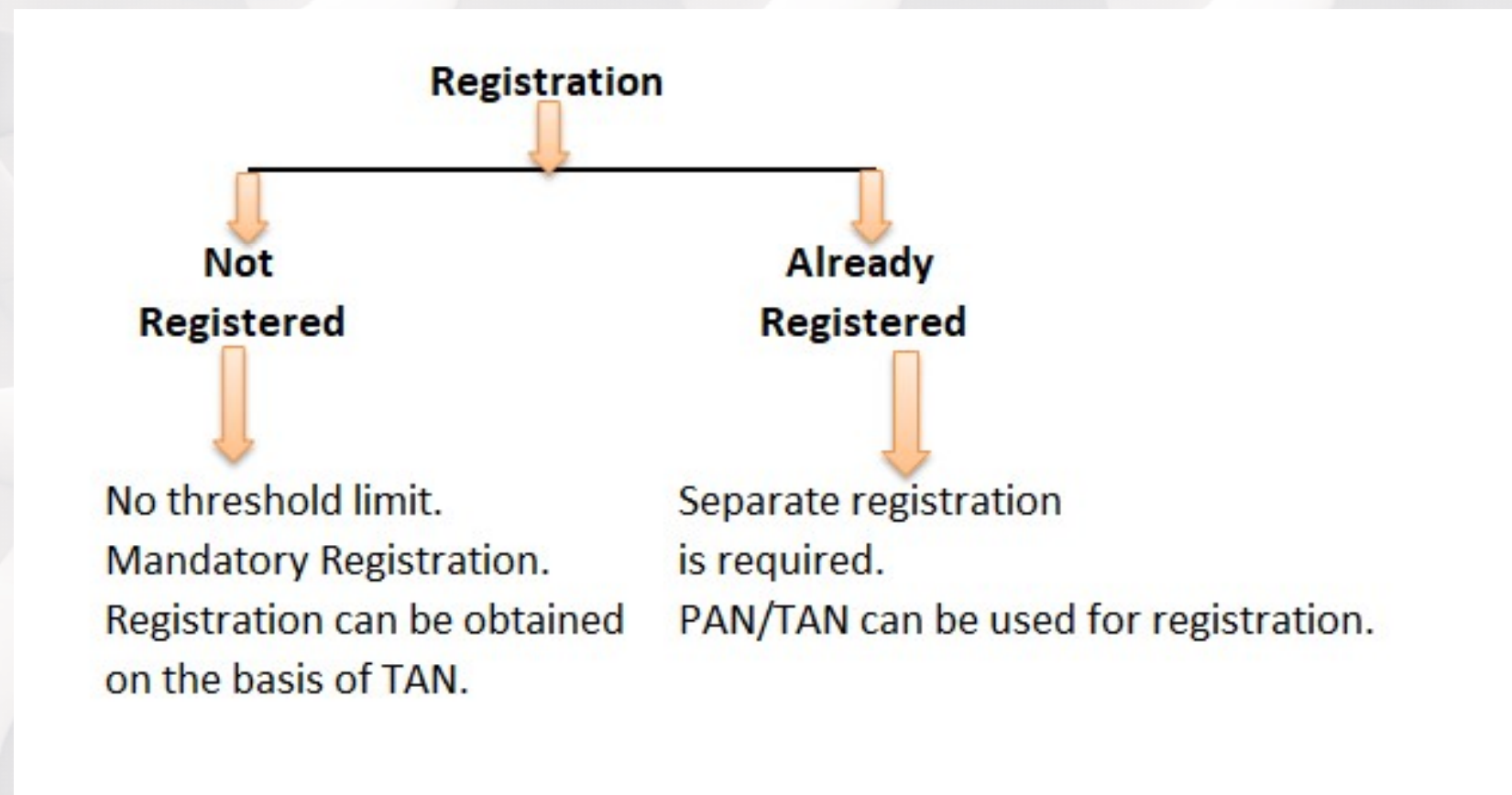
In Different States



## Analysis

Location of Supplier	Place of Supply	Location of Recipient	Tax Type	Applicability of TDS
Maharashtra	Maharashtra	Maharashtra	CGST+SGST	Yes
Maharashtra	Delhi	Delhi	IGST	Yes
Maharashtra	Maharashtra	Delhi	CGST+SGST	No
Maharashtra	Delhi	Haryana	IGST	Yes

# Registration Requirements of Deductor in case of TDS





## Statutory requirements for TDS to be fulfilled by deductor

<b>GST Return</b>	GSTR 7
<b>Due Date of Return</b>	10th of Next Month
<b>TDS Certificate</b>	Form GSTR 7A
<b>TDS Certificate due date</b>	Withing 5 Days of filing GSTR 7

## Common Doubts in case of TDS in GST

### Doubt No 1

When there are more than one contract and each contract is for supply of taxable goods / services value not exceeding ₹ 2,50,000. Is TDS liable to be deducted?

### Answer:

No tax will be deducted as each taxable supply under a contract is not exceeding ₹ 2,50,000. Nevertheless, their joint value is more than ₹ 2,50,000.

## **Common Doubts in case of TDS in GST**

### **Doubt No 2**

When there is a common contract for taxable supply as well as exempted supply.

But value of taxable supplies is not exceeding ₹ 2,50,000 under that contract. Is TDS liable to be deducted?

### **Answer:**

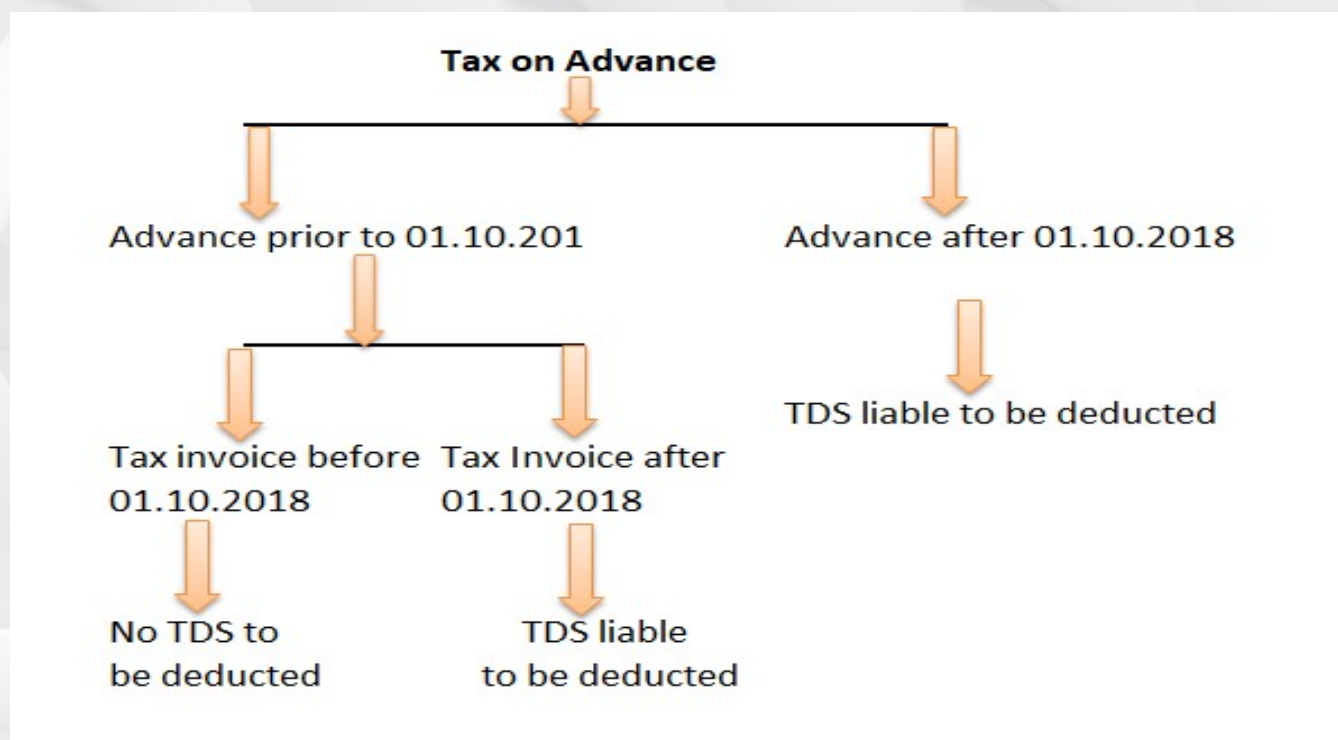
No TDS is liable to be deducted.

# Common Doubts in case of TDS in GST

## Doubt No.3

What is TDS on Advance treatment?

**Answer:**



## Common Doubts in case of TDS in GST

### Doubt No 4

Can the deductee claim credit of the Tax deducted at source by the Deductor?

### Answer:

Yes, the deductee can claim credit of the tax deducted. Deductor will furnish the return and deductee will accept the credit reflecting in his GST portal. Amount will be credited to his electronic cash ledger.

## Common Doubts in case of TDS in GST

### Doubt No. 5

Can a Composition Dealer take tax credit of Tax deducted at source?

### Answer:

Yes, Composition dealer can also take credit and adjust this amount against his output tax liability, as this amount is not an input tax credit.

## Common Doubts in case of TDS in GST

### **Doubt No. 6**

As a deductor, do I have to fill any form to generate FORM GSTR 7A?

### **Answer:**

No, a deductor is not required to fill up any separate form for generation of FORM GSTR-7A. FORM GSTR 7A shall be generated if return in FORM GSTR 7.

# Common Doubts in case of TDS in GST

## Doubt No 7

Is TDS in GST same as TDS in Income Tax?

TDS IN INCOME TAX	TDS IN GST
<b>Rates of TDS u/s 194C</b> Payment to individual/HUF-1% Payment to others - 2%	<b>Rates of TDS u/s 51</b> Tds rate is 2% in all cases
<b>Applicable only if deductor is covered In tax audit</b> (Individual/HUF/Partnership turnover > ₹ 1 cr or company)	<b>Applicable in case of</b> <ol style="list-style-type: none"> <li>1. Department Of central govt or state govt</li> <li>2. Local Authority</li> <li>3. Government agencies</li> <li>4. Other notified authorities</li> </ol>



TDS IN INCOME TAX	TDS IN GST
<b>Cut off limit</b> ₹ 30000 single payment or ₹ 100000 Annual	<b>Cut off limit</b> ₹ 250000 single contract
<b>Challan Payment</b> Due date is 7th of next month However for march it is 30th april	<b>Challan Payment</b> Due date is 10th of next month (Even for march it is same date)

TDS IN INCOME TAX	TDS IN GST
<p><b>TDS return</b>            It is to be file quaterly one month from end of quarter.</p> <p>Except last quarter            April-june --&gt;31 July            July-Sept--&gt;31 Oct            Oct-Dec--&gt;31 Jan            Jan - march--&gt;31 May</p>	<p><b>TDS Return</b>            To be filed monthly by 10th of next month</p> <p>Return form is GSTR 7</p>
<p><b>TDS Certificate</b>            It is to issued Quaterly 15 days of filing TDS return</p> <p>In case of late payment, Penalty applicable is ₹ 100/day</p>	<p><b>TDS Certificate</b>            It is to issued Monthly within 5 days of filing TDS challan</p> <p>In case of late payment, Penalty applicable is ₹ 100/day (max ₹ 5000)</p>