



Week of 15th October, 2018

PROPOSED CHANGES AND INDUSTRY ISSUES

Disaster cess or disaster tax

A panel of state finance ministers set up to plan a state specific or central 'disaster cess or tax' is of the view that National Disaster Relief Fund is not sufficient to fund natural calamities. As per the media reports, the panel has decided to seek response from all states in order to deliberate a 'disaster cess or tax' under GST.

ITC claims reversed by dealers

With the use of technology and physical inspection, the government is taking strict legal action against the dealers claiming ITC on fake GST invoices. As per the media reports, dealers have reversed ITC claims worth INR 17.45 crores made against fake GST invoices with the fear of arrest or a legal action.

Anti profiteering mechanism challenged

The GST law provides that any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit should be passed on to the recipient (consumer) by way of commensurate reduction in prices. A real estate company has challenged the constitutional validity of anti profiteering mechanism under GST in the Delhi High Court. The petition claims that the mechanism lacks clarity and there is no machinery and procedure followed for assessment of amounts payable as fines. As per the media reports, some major consumer companies such as HUL, Jubilant Foods, etc. may come together to challenge the anti profiteering mechanism.

Glossary

GST – Goods and Services Tax

ITC – Input Tax Credit

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