

GST exemption to merchant traders

398. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of FINANCE be pleased to state:

(a) whether Government has received any representation from export traders seeking quicker refund of duties and exemption of GST for merchant exporters and simpler tax compliance for small traders;

(b) if so, the details thereof;

(c) whether Government has taken any decision in this regard, if so, the details thereof and if not, the reasons therefor; and

(d) the stand of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) Yes, Sir. Various representations have been received from trade and industry on these issues. The representations were examined and placed before the GST Council for policy decisions in this regard.

In order to give some more time to get accustomed to the new GST taxation regime, based on the recommendations of the GST Council, the taxpayers are required to file a simplified return GSTR-3B monthly. Further, a Committee has been set up under the convenorship of Chairman GSTN to look into further simplification of the return filing process.

(c) and (d) Yes, Sir. Some of the important decisions taken by the GST Council in this regard are as follows:—

(a) Quicker refund of duties:—

(i) Detailed procedure for filing, processing and sanction of refund claims have been laid down in two Circulars issued by the Central Government. Further, a Circular has been issued on solutions to common errors in filing of refund of IGST paid on export of goods.

(ii) Provision made for manual processing of online refund claims of IGST paid on export of goods.

(b) GST Exemption to merchant exporters:

(i) Merchant exporters have been entitled to procure goods at a minimal rate of tax of 0.05% Central tax and 0.05% State tax or 0.1% Integrated tax.

(c) Simpler tax compliance for small traders:

- (i) Increase in aggregate annual turnover threshold for eligibility under the composition scheme from ₹ 75 lakh to ₹ 1 crore for 27 States (including Jammu and Kashmir and Uttarakhand).
- (ii) Increase in the aggregate annual turnover threshold for eligibility under the Composition scheme from ₹ 50 lakh to ₹ 75 lakh for Special Category States (as specified in sub-clause (g) of clause (4) of article 279A of the Constitution) other than Jammu and Kashmir and Uttarakhand.
- (iii) Taxpayers having annual turnover of up to ₹ 1.5 crore in the previous year provided with an option to file quarterly returns.
- (iv) Registered persons making supply of goods to make payment of tax on issuance of invoice and not at the time when advances are received.
- (v) Suspension of the application of reverse charge mechanism under Section 9(4) of the CGST/SGST Acts, 2017 and Section 5(4) of the IGST Act, 2017 till 31 March, 2018 for all categories of registered persons.
- (vi) Uniform rate of tax @1% under Composition scheme for manufacturers and traders. The turnover only of taxable goods to be considered for eligibility for the Composition scheme for traders.
- (vii) Supply of exempted services by Composition taxpayer will be allowed and the same will not be taken into account while computing the aggregate turnover.
- (viii) Amount of late fee payable for delayed filing of return in Form GSTR-3B by a taxpayer whose tax liability for the month was 'Nil' reduced to ₹ 20/- per day (₹ 10/- per day each under CGST and SGST Acts) subject to maximum ₹ 5000/- under each Act from October, 2017.
- (ix) The amount of late fee payable for delayed filing of return in Form GSTR-3B by other taxpayers reduced to ₹ 50/- per day (₹ 25/- per day each under CGST & SGST Acts) subject to maximum ₹ 5000/- under each Act from October, 2017.
- (x) The filing of returns by the taxpayers has been simplified by continuing the GSTR-3B return up to March 2018. The filing of GSTR-2 and GSTR-3 returns has been kept in abeyance.