

INDIRECT TAX

Time limit to make a declaration to pay GST under forward charge by GTA for FY 2023-24 and by newly registered GTAs

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exceeding expectations
SINCE 1985





Notification No. 05/2023-Central Tax (Rate) dated 9 May 2023 has inserted two provisos to Sl. No. 9 in item (iii) in sub-item (b) in the entries under column (5), in condition (2) to Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 ('**Rate Notification**').

Parallely, Notifications Nos. 05/2023-Integrated Tax (Rate) dated 9 May 2023 and 05/2023-Union Territory Tax (rate) dated 9 May 2023 have also been issued to amend the rate notifications for integrated tax and union territory tax.

I. Declaration to exercise option to pay GST under forward charge by GTA extended to 31 May 2023 for financial year 2023-2024

1. The Rate Notification providing for Goods and Services Tax rate applicable on Goods Transport Agencies ('**GTA**') was amended w.e.f. 18 July 2022. Pursuant to the said changes and upon fulfilment of conditions specified therein, GTA could opt:
 - To pay GST at the rate of 5% or 12% on forward charge, or
 - Not to pay GST on the services supplied by it.(In such cases, GST was to be paid on reverse charge basis by specified recipients)
2. In order to exercise the option to pay GST on forward charge, the GTA is inter alia required to make a declaration in Annexure V to the Rate Notification on or before the 15 March of the preceding Financial Year.
3. For the Financial Year 2023-2024, the time limit to make a declaration in Annexure V has been extended from 15 March to 31 May 2023



LKS COMMENTS

It needs to be seen that whether the Department can demand GST on forward charge basis from such GTAs who could not opt for paying GST on forward charge by 15 March, however, have opted for the same before 31 May 2023 and have not raised invoices on forward charge basis for the intervening period (1 April to 31 May 2023).

II. Option to pay GST under forward charge by newly registered GTA

As per the fourth proviso inserted by Notification No. 05/2023-Central Tax (Rate) dated 9 May 2023, GTA who commences new business or crosses threshold for registration during any financial year may exercise the option to itself pay GST on the services supplied by it during that Financial Year by making a declaration in Annexure V:

- before the expiry of 45 days from the date of applying for GST registration, or
- one month from the date of obtaining registration

(whichever is later)



LKS COMMENTS

The said proviso has been added to specifically cover the requirement of making a declaration in cases of payment of GST under forward charge by newly registered GTAs who commence new business or cross threshold for registration under GST.

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exceeding expectations
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