L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

GST Update No. 49/2017
3rd October, 2017

Transitional credit of Service tax paid under reverse charge by 5th/6th July, 2017

Transitional issues pertaining to credit of service tax paid after 30th June, 2017

- ✓ By **Circular No. 207/5/2017-Service Tax, dated 28.09.2017,** the CBEC has clarified that the recipients of service who have received service and paid the value of service before 01.07.2017, but paid service tax thereon under reverse charge after 30th June 2017 but before 5th /6th July, 2017 should indicate such credit of service tax in the return in Form ST-3 for the period ending 30th June, 2017 itself.

- ✓ It has been clarified that if the assessee has already filed return in Form ST-3, in such a case, revised return can be filed for indicating the above details in Form ST-3.

REVISION OF RETURN

- ✓ It has been clarified that all ST-3 returns for the period 1/4/2017 to 30/06/2017 which have been filed up to and inclusive of 31st August, 2017, shall be deemed to have been filed on 31/08/2017. Accordingly, Form ST-3 can be revised up to 15th October, 2017.

- ✓ Based on the revision of Form ST-3, credit of service tax paid under reverse charge which have been indicated in Form ST-3, can be carried forward under GST through Form GST TRAN-1.

- ✓ Also, if the assessee has already filed Form GST TRAN-1, in such a case, the same can also be revised upto 31st October, 2017 for carrying forward the credit of service tax paid under reverse charge.

QUESTIONS LEFT TO BE ANSWERED

- ✓ Whether Board is competent to extend time limit for revising Form ST-3 through Circular?
- ✓ Whether, in similar situations, a manufacturer can avail such credit in his ER-1 by revising the same?
- ✓ Whether assessee can revise Form ST-3 for claiming credit of service tax paid under reverse charge after 6th July, 2017 in respect of service received before 30th June, 2017?
- ✓ Is it mandatory for all the assessees to claim such credit through Form ST-3 only, and all those who have claimed the said amount under Form GST Tran-1 are required to revise both Form GST Tran-1 and Form ST-3?
- ✓ Whether the Circular is in conflict with the provision of Section 142(9)(b) of CGST Act which provides that increased amount of credit on account of revision of return shall not be allowed as credit and shall be refunded in cash?

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