

INDIRECT TAXES-II

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INPUT TAX CREDIT

As per section 2(63) Input Tax Credit means the credit of input tax. Input tax means IGST (including that on import of goods), CGST, SGST AND UTGST charged on any supply of goods or services and

- ◉ Includes the tax payable under sub-section(3) and (4) of section 9 of CGST Act,
- ◉ Includes the tax payable under subsection (3) and (4) of section 5 of IGST Act,
- ◉ Includes the tax payable under sub-section (3) and (4) of section 9 of SGST Act,
- ◉ Includes the tax payable under sub section(3) and (4) of section 7 of UTGST Act but excludes the tax paid under section 10(Composition Levy)

ELIGIBILITY FOR CLAIMING INPUT TAX CREDIT

- ◉ Tax Invoice/ Debit Note must be issued by a Registered Supplier or any other tax paying document
- ◉ Goods and Services have been received
- ◉ Tax is actually paid by the supplier to the credit of the appropriate Government either in cash or by utilisation of Input Tax Credit
- ◉ He has furnished the monthly return on Form GSTR 3 under section 39

CONDITIONS FOR CLAIMING INPUT TAX CREDIT

- ◉ ITC can be availed by a registered person only.
- ◉ Credit is available only upon the receipt of the last lot/ instalment in case of goods received in lots/ instalments. Proportionate ITC is not available.
- ◉ Goods are deemed to be received by a taxable person when the supplier delivers the goods to the recipient/ any other person, on the direction provided by the taxable person to the supplier.
- ◉ Exception is available in case of goods being directly sent to job worker.
- ◉ If the recipient of services fails to pay within 180 days from date of invoice, shall be added to his output tax liability. ITC will be available when the amount is discharged at a later stage.
- ◉ ITC in case of Capital Goods : It means the goods, the value of which is capitalized in the books of accounts of the person claiming the credit

THANK YOU