

GOVERNMENT OF ASSAM
OFFICE OF THE COMMISSIONER OF TAXES, ASSAM :: KAR BHAWAN
DISPUR, GUWAHATI-6

CORREGENDUM TO CIRCULAR NO. 30/2019-GST

Dated Dispur the 14th March, 2019.

Subject : Corrigendum to Circular No. 30/2019-GST dated 30th January, 2019 issued vide CT/GST-15/2017/281 dated 30/01/2019- Reg.

No. CT/GST-15/2017/318. — Vide serial number 5 of Circular No. 30/2019-GST dated 30th January, 2019, it was clarified that the taxable value for the purposes of GST shall include the Tax Collected at Source (TCS) amount collected under the provisions of the Income Tax Act, as the value to be paid to the supplier by the recipient is inclusive of the said TCS.

2. In the light of the representations received from the stakeholders, the matter has been re-examined in consultation with the Central Board of Direct Taxes (CBDT). The CBDT has clarified that Tax collection at source (TCS) is not a tax on goods but an interim levy on the possible “income” arising from the sale of goods by the buyer and to be adjusted against the final income- tax liability of the buyer.
3. Accordingly, in Sl. No. 5 of the Circular No. **30/2019-GST dated 30th January, 2019 :**

For

5.	What is the correct valuation methodology for ascertainment of GST on Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961?	<ol style="list-style-type: none">1. Section 15(2) of Assam GST Act specifies that the value of supply shall include “any taxes, duties cesses, fees and charges levied under any law for the time being in force other than this Act, the CGST Act, the UTGST Act and the GST (Compensation to States) Act, if charged separately by the supplier.”2. It is clarified that as per the above provisions, taxable value for the purposes of GST shall include the TCS amount collected under the provisions of the Income Tax Act since the value to be paid to the supplier by the buyer is inclusive of the said TCS.
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Read

5.	What is the correct valuation methodology for ascertainment of GST on Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961?	<ol style="list-style-type: none">1. Section 15(2) of Assam GST Act specifies that the value of supply shall include “any taxes, duties cesses, fees and charges levied under any law for the time being in force other than this Act, the CGST Act, the UTGST Act and the GST (Compensation to States) Act, if charged separately by the supplier.”2. For the purpose of determination of value of supply under GST, Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961 would not be includible as it is an interim levy not having the character of tax.
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4. This Circular is clarificatory in nature and not meant for any interpretation of provisions of the Act and rules.
5. Difficulties, if any, in implementation of the above instructions may be brought to the notice of the Commissioner at an early date.


Sd/- Anurag Goel, IAS.,
Commissioner of State tax, Assam,
Dispur, Guwahati

Memo No. CT/GST-15/2017/318-A

Dated Dispur the 14th March, 2019.

Copy to :

1. The Additional Chief Secretary to the Government of Assam, Finance Department, Dispur, Guwahati-6 for favour of kind information.
2. The Commissioner & Secretary to the Government of Assam, Finance (Taxation) Department, Dispur, Guwahati-6 for favour of kind information.
3. The Commissioner of Central GST, Guwahati / Dibrugarh for information.
4. The Special Commissioner of State tax / Additional Commissioner of State tax (All) / Joint Commissioner of State tax (All) for information.
5. The Deputy Commissioner of State tax (All) / Assistant Commissioner of State tax (All) / Superintendent of State tax (All) / Inspector of State tax (All) for information and necessary action.
6. The Information Technology Officer, Office of the Commissioner of State tax, Assam for uploading it on the website of the Commissionerate for information of all concerned.


Commissioner of State tax, Assam,
Dispur, Guwahati