

Unit 2

Levy and Collection of GST:

- Section 9 of CGST Act/SGST Act, Section 7 of UTGST Act and Section 5 of IGST Act are the Charging Sections for the purposes of levy of GST.
- CGST and SGST shall be levied on all intra-state supplies of goods or services or both.
- IGST shall be levied on all inter-state supplies of goods or services or both.

Levy and Collection of GST Under CGST Act. (Section 9)

1. Levy of central goods and service tax [Section 9(1)]:

- CGST shall be levied on all intra-state supplies of goods or services or both,
- except on the supply of alcoholic liquor for human consumption.
- It shall be levied on the value determined under section 15 and
- at such rates, not exceeding 20%, as may be notified by the Government on the recommendations of the Council and
- collected in such manner as may be prescribed and
- shall be paid by the taxable person.

2. Central tax on petroleum products to be levied from the date to be notified [Section 9(2)]:

- The central tax on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be levied
- with effect from such date as may be notified by the Government on the recommendations of the Council.

3. Tax payable on reverse charge basis [Section 9(3)]:

- The Government may, on the recommendations of the Council, by notification,
- specify categories of supply of goods or services or both,
- the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both.
- Further, all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

4. Tax payable on reverse charge if the supplies are made to a registered person by unregistered person [Section 9(4)]:

- The central tax in respect of the supply of taxable goods or services or both
- by a supplier, who is not registered, to a registered person

- shall be paid by such person on reverse charge basis as the recipient
- and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

5. Tax payable on intra-state supplies by the electronic commerce operator on notified services [Section 9(5)]

- As per section 2(45) of the CGST Act, 2017, "electronic commerce operator" means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.
- Further, "electronic commerce" means the supply of goods or services or both, including digital products over digital or electronic network.
- Thus, Electronic Commerce Operators (ECO), like flipkart, uber, makemy-trip, display products as well as services which are actually supplied by some other person to the consumer, on their electronic portal.
- The consumers buy such goods/services through these portals.
- On placing the order for a particular product/service, the actual supplier supplies the selected product/service to the consumer.
- The price/consideration for the product/service is collected by the ECO from the consumer and passed on to the actual supplier after the deduction of commission by the ECO.
- The Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator (ECO), if such services are supplied through it.
- Further, all the provisions of this Act shall apply to such electronic commerce operator (ECO) as if he is the supplier liable for paying the tax in relation to the supply of such services.
- However, where an electronic commerce operator (ECO) does not have a physical presence in the taxable territory, any person representing such electronic commerce operator (ECO) for any purpose in the taxable territory shall be liable to pay tax.
- Where an electronic commerce operator (ECO) does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.
- The Government vide Notification No. 17/2017 CT (R) dated 28.06.2017 has notified the following categories of services supplied through ECO for this purpose—
- Services by way of transportation of passengers by a radio-taxi, motorcab, maxicab and motor cycle;
- Services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for

residential or lodging purposes, except where the person supplying such service through electronic commerce operator is liable for registration under section 22(1) of the CGST Act.

Levy and Collection of GST Under IGST Act. (Section 5)

The provisions under section 5 of the IGST Act are similar to section 9 of CGST Act except—

- the word CGST has been substituted by IGST under IGST Act
- under IGST Act, tax called integrated tax is to be levied on all inter-state supplies and on goods imported into India.
- maximum rate under section 5(1) of the IGST Act is 40% (i.e. 20% CGST + 20% UTGST).

Levy and Collection of GST Under UTGST Act. (Section 7)

The provisions under section 7 of the UTGST Act are similar to section 9 of CGST Act except—

- the word CGST has been substituted by the word UTGST under the UTGST Act.
- under UTGST Act, tax called UT tax is be levied on all intra-state supplies,
- maximum rate under 7(1) of UTGST Act is 20%.