

GST 5 by Non Residents

GST RETURNS :

In the case of a supply of goods or services by NRTP, GST is leviable on the value of supply at a rate of tax as specified in the schedule. The rate of tax on goods and services is broadly covered in the four-tier rate structure of 5%, 12%, 18% and 28%. Such tax is collected by NRTP from its customer, and the latter can further avail input tax credit (ITC) of such taxes paid if it is eligible for credit under the GST law.

It is important to note that the NRTP would not be eligible to avail Input Tax Credit for GST paid on procurement of any goods or services. However, the amount of GST paid on import of goods would be available as credit provide the same is an eligible credit under GST. For example, if the output tax liability is 200, and for goods imported GST is 100, and GST on local rent is 20, in this case, only 100 would be available for set-off from the output liability of 200. The GST of 20 would not be eligible to be reduced from the output liability, and tax of 100 (200-100) will have to be deposited in the cash ledger.

The non-resident taxable person shall furnish a return in form GSTR-5 electronically through the GST portal. The return can also be filed from a tax facilitation centre that uploads the return after receipt of such return and requisite documents from the NRTP. The details of outward supplies made and inward supplies received during the tax period need to be furnished during the tax period under the specified tables.

The form GSTR-5 is required to be filed on or before the 20th of the month succeeding a particular tax period or within seven days after the end of the validity period of registration, whichever is earlier. The required amount of tax, interest, penalty and fees is also be paid while submitting form GSTR-5

REVERSE CHARGE MECHANISM :

The ITC available in the credit ledger of the GST portal cannot be used for paying liability under RCM as a service recipient. The same has to be deposited in the cash ledger on the GST portal. Further, unlike the normal registration, the NRTP would not be able to avail input tax credit of tax paid under RCM

REFUND :

In case of excess deposit of the advance tax by an NRTP at the time of initial registration/ extension of registration, the same would be refunded only after the NRTP has furnished all the returns required in respect of the entire period for which the certificate of registration is granted to him. The refund can be applied by filling required details in form GSTR -5 on the GST portal.

