

Relief to MSME sector : Major Decisions taken by the GST Council in the 32nd Meeting

The GST Council in its 32nd Meeting held on 10th January, 2019 at New Delhi took the following major decisions to give relief to MSME (including Small Traders) among others:

- 1. Increase in Turnover Limit for the existing Composition Scheme:** The limit of Annual Turnover in the preceding Financial Year for availing Composition Scheme for Goods shall be increased to Rs 1.5 crore. Special category States would decide, within one week, about the Composition Limit in their respective States.
 - 1.1 Compliance Simplification:** The compliance under Composition Scheme shall be simplified as now they would need to file one Annual Return but Payment of Taxes would remain Quarterly (along with a simple declaration).
- 2. Higher Exemption Threshold Limit for Supplier of Goods:** There would be two Threshold Limits for exemption from Registration and Payment of GST for the suppliers of Goods i.e. Rs 40 lakhs and Rs 20 lakhs. States would have an option to decide about one of the limits within a weeks' time. The Threshold for Registration for Service Providers would continue to be Rs 20 lakhs and in case of Special Category States at Rs 10 lakhs.
- 3. Composition Scheme for Services:** A Composition Scheme shall be made available for Suppliers of

Services (or Mixed Suppliers) with a Tax Rate of 6% (3% CGST +3% SGST) having an Annual Turnover in the preceding Financial Year up to Rs 50 lakhs.

3.1 The said Scheme Shall be applicable to both Service Providers as well as Suppliers of Goods and Services, who are not eligible for the presently available Composition Scheme for Goods.

3.2 They would be liable to file one Annual Return with Quarterly Payment of Taxes (along with a Simple Declaration).

4. Effective date: The decisions at Sl. No. 1 to 3 above shall be made operational from the 1st of April, 2019.

5. Free Accounting and Billing Software shall be provided to Small Taxpayers by GSTN.

6. Matters referred to Group of Ministers:

i. A seven Member Group of Ministers shall be constituted to examine the proposal of giving a Composition Scheme to Boost the Residential Segment of the Real Estate Sector.

ii. A Group of Ministers shall be constituted to examine the GST Rate Structure on Lotteries.

7. Revenue Mobilization for Natural Calamities: GST Council approved Levy of Cess on Intra-State Supply of Goods and Services within the State of Kerala at a rate not exceeding 1% for a period not exceeding 2 years.

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