



Tax Trends

Top Tax News This Week

Companies with multi-state presence will have to register as ISD

Companies having presence in multiple states and distributing common input tax credit with branch offices will have to register as Input Service Distributor (ISD) with GST authorities by April 1, 2025. Through the Finance Bill, 2024, in February, the government had amended Goods and Services Tax (GST) law to say that businesses having multi-state GST registration will have to have themselves mandatorily registered as ISD to distribute among its branches any input tax credit (ITC) for services availed.





GST on counter sales: Kerala AAR defines 5% rate, 18% for hotel premises

The Kerala Authority for Advance Ruling (AAR) has determined that selling items like Chat, Lassi, and Vada-Pav through a separate counter inside a shop constitutes 'restaurant service,' attracting a 5% GST rate. Further, AAR said that "If the applicant is located in the premises of hotels, inns, guest houses, clubs, camp sites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of ₹7,500 and above per unit per day or equivalent, the rate of GST shall be 18%".

Amendments proposed to capital gains taxation on real estate

A significant change in the revised bill was regarding the indexation provision in relation to long term capital gains tax on real estate properties. The amended Finance Bill (No. 2), 2024, introduced a proviso allowing taxpayers transferring long-term capital assets such as land or buildings acquired before July 23, 2024, to choose between the two options. Initially, the Finance Bill proposed reducing the capital gains tax on land or buildings from 20% to 12.5%, while removing the indexation benefit. This change was set to take effect from July 23, 2024.

Source: Financial Express





GST Registration Can't Be Cancelled On Unspecific SCN : Delhi High Court

The Delhi HC held that a show cause notice must clearly state the reasons on which the adverse action is proposed in order to enable the noticee to respond to the allegations. The petitioner has filed the petition challenging the Show Cause Notice ('SCN') by which the petitioner was called upon to show cause as to why its Goods and Services Tax (GST) registration should not be cancelled. The petitioner contended that the SCN does not contain any details of the allegations against the petitioner. It merely refers to Rule 21(g) and states that the person violates the provisions of Rule 86B.



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