



## **Tax Trends**

**Top Tax News This Week**

## CBIC releases FAQ and clarifications regarding the GST Amnesty Scheme

The Ministry of Finance has issued additional explanations and answers to common queries (FAQs) regarding the recently implemented Section 128A under the GST Amnesty Scheme. The FAQs clarify the applicability of Amnesty Scheme benefits to taxpayers who paid taxes before Section 128A came into effect, address cases involving interest or penalties, and explain the use of ITC for waiver payments. The circular also outlines the procedures for taxpayers and tax officers to avail and implement the benefits provided under Section 128A.

**Source: Economic Times**





## States convey support for compensation cess merger with 28% GST slab

State governments have conveyed to the Centre their support for the merger of the compensation cess with the highest goods and services tax (GST) slab of 28 per cent after March 2026, when the existing regime expires. In the first meeting of the Group of Ministers (GoM) on GST compensation, led by Union Minister of State for Finance Pankaj Chaudhary, on Wednesday, states advocated that during the transition period towards the cess merger, no additional goods should be added to the existing lists of luxury, sin, and demerit goods.

## **GST on Corporate-Guarantee from overseas group entity payable only one-time, not periodically: Rajasthan AAR**

Goods & Services Tax (GST) on corporate-guarantee from overseas group entity payable only one-time, not periodically, Rajasthan's Authority for Advance Ruling (RAAR) has held. Experts say though the ruling is in line with the Circular, it poses the challenge of paying the full tax upfront for the entire duration of the guarantee.

"GST under reverse charge mechanism (RCM) is required to be paid at one time and not periodically for guarantee has been issued only once and is valid for a specified period of time without requirement of any periodical renewal (until the final settlement date of loan contract with Bank/Financial Institution), "RAAR said in a recent ruling.

**Source: The Hindu Businessline**





## 'High-risk' income tax refund claims under scanner

Verification of 'high-risk' refund claims in Income-tax (I-T) returns for assessment year 2024-25 (financial year ending March 31, 2024) will be conducted systematically, following a standard operating procedure (SOP). The goal is to verify whether false refund claims have been made in an organised manner or by a single key person. The SOP directs officials involved to first ascertain the identity of the key person associated with the common email through the internal data bases available such as Insight portal, e-filing portal etc. If this fails, notices can be issued under section 131 (1A) to the relevant taxpayers, requesting information and supporting documents to verify claims related to exemptions, deductions, and expenses.

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