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Tax Trends

Top Tax News This
Week

Review GST framework: PAC suggestion to finance ministry

The Public Accounts Committee (PAC) has called for a comprehensive review of the GST framework to simplify the system and introduce a revamped GST 2.0. The committee, led by Congress lawmaker KC Venugopal, urged the Union finance ministry to eliminate unnecessary procedures and requirements that complicate compliance. It recommended consultations with stakeholders, including trade associations and taxpayer groups, to address concerns and ensure timely tax collection. The PAC also suggested streamlining the return filing process by consolidating forms and reducing filing frequency where possible. It recommended enhancing the GST portal's user-friendliness, providing clear guidance for taxpayers at every step. Additionally, the committee proposed a tiered compliance approach to reduce the burden on smaller businesses.





Business Today

Supreme Court upholds buyers can correct clerical errors in GST filings without penalty, claim ITC

In a landmark ruling, the Supreme Court has ruled that companies can correct human or arithmetical errors in GST filings without facing penalties or denial of input tax credit (ITC). The Court also issued a notice to the Central Board of Indirect Taxes and Customs (CBIC) to reconsider rigid rectification deadlines. The Supreme Court emphasized that timelines for error correction should be realistic and noted that human mistakes, including those by tax authorities, are normal. The Court dismissed CBIC's special leave petition, stating that software limitations should not be an excuse, as compliance can be configured to avoid such errors. Experts have welcomed the decision, as errors in GST filings have previously led to ITC denial, creating financial and compliance challenges for businesses.

GoM reviewing GST on farm equipment and inputs: FM Nirmala Sitharaman

Union Finance Minister Nirmala Sitharaman informed the Lok Sabha on Tuesday, a Group of Ministers (GoM) is reviewing a proposal to reduce GST on agricultural inputs and equipment. This includes items like tractors, fertilizers, drip irrigation systems, and pesticides. The proposal was initially discussed in the 45th GST Council meeting held on 17 September 2021 but was not finalized. Sitharaman also outlined the current GST rates: seeds (0%), fertilizers and agricultural implements (5%), hand tools (0%), and tractors and agricultural pumps (12%). She noted that the average GST rate has dropped from 15% to 12.2% since its introduction.





GST Amnesty Scheme: Last few days left for payment of tax to apply for the scheme using SPL-02 form

Eligible GST-registered taxpayers can apply for the GST Amnesty Scheme under Section 128A by June 30, 2025. However, the entire principal tax demand must be paid by March 31, 2025. Once all these formalities are completed and the amnesty application is accepted by the GST authorities, the taxpayer will be granted full relief from any pending GST tax demand, including a waiver of interest and penalties. However, as per a Goods and Services Tax Network (GSTN) advisory, there are some technical problems with the amnesty scheme system, and some of it can be circumvented.

Contact Information



Gurugram Office:

1st Floor, AIHP Palms

242 & 243, Udyog Vihar IV, Gurugram-122015



+91-124-4309061/2



info@reinalegal.com



www.reinalegal.com