

CITIZENS' CHARTER
Department of Trade & Taxes
Government of N.C.T. of Delhi

OBJECTIVE: The objective of this Charter is to provide information regarding the services rendered by the Department of Trade & Taxes, Government of N.C.T. of Delhi.

OUR MOTTO: Putting People First

OUR MESSAGE: Goods and Service Tax is your money for your city.

OUR MISSION:

- A courteous, helpful and citizen-friendly attitude towards people.
- Sustained efforts to improve the standards and quality of service.
- To seek cooperation of citizens for obedience and implementation of the laws.

OUR VISION:

Your tax money contributes to the growth and development of Delhi, making it a world class city

WE EXPECT:

- You pay tax and insist on obtaining invoice from the seller.
- Every dealer issues invoice to the buyers, collects tax and pays it to the government timely.

ORGANIZATIONAL STRUCTURE AND HIERARCHY –

1. Commissioner of State Tax - Head of the Department.
2. Special Commissioner(s) of State Tax.
3. Additional Commissioner of State Tax
4. Joint Commissioner of State Tax.
5. Assistant. Commissioner(s) of State Tax.
6. Goods and Service Tax Officer(s).
7. Goods and Service Tax Inspector(s), and other staff.

IMPORTANT ACTS ADMINISTERED –

Following Acts are presently administered by the Department.

1. The Delhi Goods and Services Tax (DGST) Act, 2017.
2. The Central Goods and Services Tax (CGST) Act, 2017.
3. The Integrated Goods and Services Tax (IGST) Act, 2017.
4. The Delhi Value Added Tax (DVAT) Act, 2004
5. The Central Sales Tax (CST) Act, 1956

WEBSITE-

- www.dvat.gov.in

AIM –

- Collection of Revenue by efficient and effective administration of all the Acts.
- Efficient, transparent, responsive, proactive and accountable administration.

COMMITMENTS -

- Provide information with promptness and courtesy.
- Empowerment of taxpayers by creating awareness and updating their knowledge through dissemination of information about their statutory rights, obligations, procedures, changes/amendments in the law.
- Review of Laws, Rules and Regulations and procedures for smooth applications/implementation of various Acts and better tax compliance.

RESPONSIBILITIES –

- Extending all the required services prescribed under the Act.
- Regular updating of the department's web site and promoting awareness and use of the same.
- Prompt/time bound response to tax payers'/citizens' grievances.
- Periodic publicity of due dates for filing of returns, payment of tax and changes in the law, rules and procedures.

ABOUT GST

SALIENT FEATURES OF GST

The salient features of GST are as under:-

- GST is applicable on “supply” of goods or services as against the previous concept of tax on manufacture of goods or on sale of goods or on provision of services.
- GST is based on the principle of destination based consumption taxation as against the previous principle of origin-based taxation.
- It is a dual GST with the Centre and the States simultaneously levying it on a common base. The GST to be levied by the Centre is be called Central GST (central tax- CGST) and that to be levied by the States [including Union territories with legislature] is be called State GST (state tax- SGST).
- An Integrated GST (integrated tax- IGST) is levied on inter-State supply (including stock transfers) of goods or services. This is collected by the Centre so that the credit chain is not disrupted.
- Import of goods is treated as inter-State supplies and is subject to IGST in addition to the applicable customs duties.
- Import of services is treated as inter-State supplies and is subject to IGST.
- CGST, SGST /UTGST & IGST is levied at rates mutually agreed upon by the Centre and the States under the aegis of the GST Council.
- GST is applicable to all goods and services except Alcohol for human consumption.
- GST on five specified petroleum products (Crude, Petrol, Diesel, ATF & Natural gas) will be applicable from a date to be recommended by the GST Council.
- Tobacco and tobacco products is subject to GST. In addition, the Centre continues to levy Central Excise duty.
- A common threshold exemption is applicable to both CGST and SGST. Taxpayers with an annual turnover of Rs. 20 lakh (Rs. 10 lakh for special category States (except J&K) as specified in article 279A of the Constitution) is be exempt from GST.
- A composition scheme (i.e. to pay tax at a flat rate without credits) is available to small taxpayers (including to manufacturers other than

specified category of manufacturers and service providers) having an annual turnover of up to Rs. 1 crore (Rs. 75 lakh for special category States (except J&K and Uttarakhand) enumerated in article 279A of the Constitution). As decided in the 23rd meeting of the GSTC, this limit shall be raised to Rs. 1.5 crore after necessary amendments in the Act. The threshold exemption and compounding scheme is optional.

- All Exports and supplies to SEZs and SEZ units is zero-rated.
- Credit of CGST paid on inputs may be used only for paying CGST on the output and the credit of SGST/UTGST paid on inputs may be used only for paying SGST/UTGST. In other words, the two streams of input tax credit (ITC) cannot be cross utilized, except in specified circumstances of inter-State supplies for payment of IGST.
- The credit is permitted to be utilized in the following manner: a) ITC of CGST allowed for payment of CGST & IGST in that order; b) ITC of SGST allowed for payment of SGST & IGST in that order; c) ITC of UTGST allowed for payment of UTGST & IGST in that order; d) ITC of IGST allowed for payment of IGST, CGST & SGST/UTGST in that order. ITC of CGST cannot be used for payment of SGST/UTGST and vice versa.
- Electronic filing of returns by different class of persons at different cut-off dates.
- Various modes of payment of tax available to the taxpayer including internet banking, debit/ credit card and National Electronic Funds Transfer (NEFT) / Real Time Gross Settlement (RTGS).
- Refund of tax to be sought by taxpayer or by any other person who has borne the incidence of tax within two years from the relevant date.
- System of self-assessment of the taxes payable by the registered person.
- An anti-profiteering clause has been provided in order to ensure that business passes on the benefit of reduced tax incidence on goods or services or both to the consumers.
- Elaborate transitional provisions have been provided for smooth transition of existing taxpayers to GST regime.

TAXES MERGED

GST has replaced the following taxes previously levied and collected by the Centre:-

1. Central Excise Duty
2. Duties of Excise (Medicinal and Toilet Preparations)
3. Additional Duties of Excise (Goods of Special Importance)
4. Additional Duties of Excise (Textiles and Textile Products)
5. Additional Duties of Customs (commonly known as CVD)
6. Special Additional Duty of Customs (SAD); g) Service Tax
7. Cesses and surcharges insofar as they relate to supply of goods or services.

State taxes that have been subsumed within the GST are:

1. State VAT
2. Central Sales Tax
3. Purchase Tax
4. Luxury Tax
5. Entry Tax (All forms)
6. Entertainment Tax (except those levied by the local bodies)
7. Taxes on advertisements
8. Taxes on lotteries, betting and gambling
9. State cesses and surcharges insofar as they relate to supply of goods or services.

BENEFITS OF GST:

(A) Make in India:

- (i) Will help to create a unified common national market for India, giving a boost to Foreign investment and "Make in India" campaign;
- (ii) Will prevent cascading of taxes as Input Tax Credit will be available across goods and services at every stage of supply;
- (iii) Harmonization of laws, procedures and rates of tax;
- (iv) It will boost export and manufacturing activity, generate more employment and thus increase GDP with gainful employment leading to substantive economic growth;
- (v) Ultimately it will help in poverty eradication by generating more employment and more financial resources;
- (vi) More efficient neutralization of taxes especially for exports thereby making our products more competitive in the international market and give boost to Indian Exports;
- (vii) Improve the overall investment climate in the country which will naturally benefit the development in the states;
- (viii) Uniform SGST and IGST rates will reduce the incentive for evasion by eliminating rate arbitrage between neighboring States and that between intra and inter-State sales;
- (ix) Average tax burden on companies is likely to come down which is expected to reduce prices and lower prices mean more consumption which in turn means more production thereby helping in the growth of the industries. This will create India as a "Manufacturing hub".

(B) EASE OF DOING BUSINESS:

- (i) Simpler tax regime with fewer exemptions;
- (ii) Reduction in multiplicity of taxes that are at present governing our indirect tax system leading to simplification and uniformity;
- (iii) Reduction in compliance costs - No multiple record keeping for a variety of taxes- so lesser investment of resources and manpower in maintaining records;
- (iv) Simplified and automated procedures for various processes such as registration, returns, refunds, tax payments, etc;
- (v) All interaction to be through the common GSTN portal- so less public interface between the taxpayer and the tax administration;
- (vi) Will improve environment of compliance as all returns to be filed online, input credits to be verified online, encouraging more paper trail of transactions;
- (vii) Common procedures for registration of taxpayers, refund of taxes, uniform formats of tax return, common tax base, common system

of classification of goods and services will lend greater certainty to taxation system;

- (viii) Timelines to be provided for important activities like obtaining registration, refunds, etc;

(C) BENEFIT TO CONSUMERS:

- (i) Final price of goods is expected to be lower due to seamless flow of input tax credit between the manufacturer, retailer and supplier of services;
- (ii) A relatively large segment of small retailers is either exempted from tax or will suffer very low tax rates under a compounding scheme- purchases from such entities to cost less for the consumers;
- (iii) Average tax burden on companies is likely to come down which is expected to reduce prices and lower prices mean more consumption.

Some other salient features of GST

1. GST would apply to all goods and services except Alcohol for human consumption.
2. GST on five specified petroleum products (Crude, Petrol, Diesel, ATF & Natural gas) would be applicable from a date to be recommended by the GSTC.
3. Tobacco and tobacco products would be subject to GST. In addition, the Centre would continue to levy Central Excise duty.
4. The list of exempted goods and services would be kept to a minimum and it would be harmonized for the Centre and the States as well as across States as far as possible.
5. Exports would be zero - rated.

6. Credit of CGST paid on inputs may be used only for paying CGST on the output and the credit of SGST/UTGST paid on inputs may be used only for paying SGST/UTGST. In other words, the two streams of input tax credit (ITC) cannot be cross utilized, except in specified circumstances of inter - State supplies for payment of IGST. The credit would be permitted to be utilized in the following manner:
 - a) ITC of CGST allowed for payment of CGST & IGST in that order;

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 - c) ITC of UTGST allowed for payment of UTGST & IGST in that order;
 - d) ITC of IGST allowed for payment of IGST, CGST & SGST/UTGST in that order. ITC of CGST cannot be used for payment of SGST/UTGST and vice versa.
7. Accounts would be settled periodically between the Centre and the State to ensure that the credit of SGST used for payment of IGST is transferred by the originating State to the Centre. Similarly the IGST used for payment of SGST would be transferred by Centre to the destination State. Further the SGST portion of IGST collected on B2C supplies would also be transferred by Centre to the destination State. The transfer of funds would be carried out on the basis of information contained in the returns filed by the taxpayers.
 8. Input Tax Credit (ITC) to be broad based by making it available in respect of taxes paid on any supply of goods or services or both used or intended to be used in the course or furtherance of business.
 9. Electronic filing of returns by different class of persons at different cut - off dates.
 10. Various modes of payment of tax available to the taxpayer including internet banking, debit/ credit card and National Electronic Funds Transfer (NEFT) / Real Time Gross Settlement (RTGS).
 11. Obligation on certain persons including government departments, local authorities and government agencies, who are recipients of supply, to deduct tax at the rate of 1% from the payment made or credited to the supplier where total value of supply, under a contract, exceeds two lakh and fifty thousand rupees.
 12. Refund of tax to be sought by taxpayer or by any other person who has borne the incidence of tax within two years from the relevant date.
 13. Obligation on electronic commerce operators to collect 'tax at source', at such rate not exceeding two per cent. (2 %) of net value of taxable supplies, out of payments to suppliers supplying goods or services through their portals.

14. System of self - assessment of the taxes payable by the registered person.
15. Audit of registered persons to be conducted in order to verify compliance with the provisions of Act.
16. Limitation period for raising demand is three (3) years from the due date of filing of annual return or from the date of erroneous refund for raising demand for short - payment or non - payment of tax or erroneous refund and its adjudication in normal cases .
17. Limitation period for raising demand is five (5) years from the due date of filing of annual return or from the date of erroneous refund for raising demand for short - payment or non - payment of tax or erroneous refund and its adjudication in case of fraud, suppression or willful mis - statement.
18. Arrears of tax to be recovered using various modes including detaining and sale of goods, movable and immovable property of defaulting taxable person.
19. Officers would have restrictive powers of inspection, search, seizure and arrest.
20. Goods and Services Tax Appellate Tribunal would be constituted by the Central Government for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority. States would adopt the provisions relating to Tribunal in respective SGST Act.
21. Provision for penalties for contravention of the provision of the proposed legislation has been made.

22. Advance Ruling Authority would be constituted by States in order to enable the taxpayer to seek a binding clarity on taxation matters from the department. Centre would adopt such authority under CGST Act.

23. An anti - profiteering clause has been provided in order to ensure that business passes on the benefit of reduced tax incidence on goods or services or both to the consumer.
24. Elaborate transitional provisions have been provided for smooth transition of existing taxpayers to GST regime.