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Dated: 27th March, 2019

CORRIGENDUM TO CIRCULAR NO. 38 / 2018-19 - GST

**Subject: Corrigendum to Circular No. 38 / 2018-19 - GST dated 15th January 2019-
Reg.**

Vide serial number 5 of Circular No. 38 / 2018-19 - GST dated 15th January, 2019, it was clarified that the taxable value for the purposes of GST shall include the Tax Collected at Source (TCS) amount collected under the provisions of the Income Tax Act, as the value to be paid to the supplier by the recipient is inclusive of the said TCS.

2. In the light of the representations received from the stakeholders, the matter has been re-examined in consultation with the Central Board of Direct Taxes (CBDT). The CBDT has clarified that Tax collection at source (TCS) is not a tax on goods but an interim levy on the possible “income” arising from the sale of goods by the buyer and to be adjusted against the final income- tax liability of the buyer.

3. Accordingly, in S. No. 5 of the Circular No. 38 / 2018-19 - GST dated 15th January, 2019:

For

5.	What is the correct valuation methodology for ascertainment of GST on Tax collected at source	1. Section 15(2) of Goa GST Act specifies that the value of supply shall include “any taxes, duties cesses, fees and charges levied under
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	<p>(TCS) under the provisions of the Income Tax Act, 1961?</p>	<p>any law for the time being in force other than this Act, the SGST Act, the UTGST Act and the GST (Compensation to States) Act, if charged separately by the supplier.”</p> <p>2. It is clarified that as per the above provisions, taxable value for the purposes of GST shall include the TCS amount collected under the provisions of the Income Tax Act since the value to be paid to the supplier by the buyer is inclusive of the said TCS.</p>
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Read

<p>5.</p>	<p>What is the correct valuation methodology for ascertainment of GST on Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961?</p>	<p>1. Section 15(2) of Goa GST Act specifies that the value of supply shall include “any taxes, duties cesses, fees and charges levied under any law for the time being in force other than this Act, the SGST Act, the UTGST Act and the GST (Compensation to States) Act, if charged separately by the supplier.”</p> <p>2. For the purpose of determination of value of supply under GST, Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961 would not be includible as it is an interim levy not having the character of tax.</p>
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2. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the undersigned.



(Dipak M. Bandekar)
Commissioner of State Tax

Note: Similar corrigendum to circular is issued under Central Goods and Services Tax Act, 2017 by the GST Policy Wing, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, GOI, New Delhi vide Corrigendum to Circular No. 76/50/2018-GST dated 07/03/2019.