

Input Tax Credit available to Co-operative Societies

1. Input Tax Credit (ITC): -

A Co-operative Society registered under GST laws is entitled to Input Tax Credit (ITC). The input tax is the Central GST (CGST), State GST (SGST), Integrated GST (IGST), Union Territory GST (UTGST) and includes IGST charged on import of goods and GST paid under Reverse Charge Mechanism (RCM) under SGST, CGST and IGST. However, no ITC of composition levy is available.

2. Compliance for availing ITC: -

Moreover, the Societies which were registered under Service Tax Provision are entitled to ITC of excise duty and VAT paid on the goods in stock on 30th June 2017 which are to be used for making taxable supply of services after 30th June 2017. For the purpose of availing the ITC, Duty and Tax paid invoices should be available. The statement of such stock has to be uploaded on GSTN by the society within prescribed time to avail the benefit of ITC.

3. Proportionate ITC for exempt outward supply: -

If the GST paid goods and services procured from third party are used for providing service to members, some of whom are exempt, then in that case proportionate ITC will be available. This ratio has to be worked out every month.

4. Reversal of ITC on non-payment to suppliers of Goods or Services or both: -

If the supplier of Goods and Services has not made the payment of GST collected from the society, the GST Network (GSTN) will reverse the ITC claimed by the society and the same will be available if and when the GST is paid by the supplier.

If the society does not make payment against supplies of goods and services received by the society within 180 days of the date of Tax Invoice, the ITC availed by society on those supplies will be reversed by GSTN and the same can be claimed after the payment of the same to the supplier.

This reversal will not apply on the GST paid under RCM.

5. ITC on Capital Goods: -

ITC of the GST paid on capital goods cannot be claimed if the GST is also capitalized in Assets Account on which depreciation is claimed.

6. Time limit for ITC claim: -

ITC of GST in any Tax Invoice can be claimed only up to the time of filing Annual Return for the Financial Year.

7. No ITC: -

ITC of the taxes paid on electricity expenses, stamp duty and property tax is not available.