

**Government of Rajasthan
Finance Department**

F.12(89)FD/Tax/2017

Dated:20.09.2017

To,
All HoDs

Subject: Registration of Government Departments under the provisions of GST law.


As you may be aware, the Goods and Services Tax Act, 2017 has become effective in the country from 1st of July, 2017. 17 taxes of the Centre and the States have been subsumed in GST, Central Excise Duty, VAT, Service Tax, CST, being some of the major ones.

The government departments procuring goods and services under a contract exceeding Rs. 2.5 lakhs will be required to deduct tax at source under Section 51 of the GST law. For this purpose every DDO making such a deduction, will be required to take a TAN based registration and to file returns as prescribed under the Act. All government departments have already been apprised of the TDS provisions and a training of DDOs has been conducted by the Finance Department across Rajasthan.

Further, the government departments may also be required to register themselves under GST wherever they are themselves supplying goods and services. For instance, several government properties have been given on rent to business organisations (such as Banks etc.) for commercial purposes. In the earlier regime, Service Tax was required to be paid on such transactions. However, Service Tax registration was not PAN based whereas, PAN is compulsory for taking registration under GST. As such government departments will have to first obtain PAN and then apply for registration under GST.

Offices also conduct auction of goods such as used furniture, vehicles, equipment etc. However, in the GST regime, registration as a regular dealer will have to be obtained even in such cases. It may be pertinent to mention here that a registration as a supplier (PAN based GSTIN) will be separate from and in addition to the TAN based registration required by DDOs for TDS.

You are requested to evaluate the need for GST registration in your respective departments and initiate necessary action in this regard immediately as failure to comply with provisions of the GST law calls for interest and penalty. A set of FAQs issued by Government of India have been enclosed herewith for ready reference. The said FAQs as well as all other provisions of law are also available at www.rajtax.gov.in. You may also contact the Commercial Taxes Department, Rajasthan for any further queries/ guidance in this regard.


(D. B. Gupta)

Additional Chief Secretary