

RATE OF TAX UNDER GST ON EXPENSES DEBITED TO TRADING, PROFIT & LOSS ACCOUNT

Nature of Expense	Rate of Tax	Whether regd supplier will levy tax	Reverse Charge (If supply is unregd supplier)	Whether Eligible for Input Credit
Salary, Wages and Bonus paid to employee	0%	No	No	No
Electricity Bill	0%	No	No	No
Water Charges/Plain Water	0%	No	No	No
Bank Interest	0%	No	No	No
Rent Deposits	0%	No	No	No
Other Deposits	0%	No	No	No
Petrol/Diesel/CNG/Kerosene Expenses	0%	No	No	No
Liquor Expenses	0%	No	No	No
Registration Fees (ROF/ROC etc.)	0%	No	No	No
Bad Debts	0%	No	No	No
Donation	0%	No	No	No
Labour Welfare Contribution to Government	0%	No	No	No
Fine & Penalties	0%	No	No	No
Conveyance Expenses – Non AC Taxi, Auto, Bus, Train	0%	No	No	No
Rent paid for residential use	0%	No	No	No
Newspapers & Magazines	0%	No	No	No
Remuneration to Directors and Others	0%	No	No	No
Conveyance Expenses – Radio Taxi like Ola, Uber or other AC Vehicles	5%	Yes	Yes	Yes
Payment to Goods Transport Agency	5%	No	Yes	Yes
Travelling in Train by AC or First Class	5%	Yes	Yes	No
Job Work/Labour Charges for textile yarn and textile fabrics	5%	Yes	Yes	Yes
Job Work/Labour Charges for diamond, jewellery and precious metal	5%	Yes	Yes	Yes
Job Work/Labour Charges for printing of books, journals and periodicals	5%	Yes	Yes	Yes
Food & Beverage Expenses (Non AC Restaurant)	12%	Yes	Yes	No
Room Rent in a hotel/lodge (Rs. 1,000 to Rs, 2,500)	12%	Yes	Yes	Yes
Fuel (Furnace Oil/LPG)	18%	Yes	Yes	Yes
Sales Promotion/Business Promotion	18%	Yes	Yes	Yes
Food & Beverage Expenses (AC Restaurant)	18%	Yes	Yes	No
Mineral Water	18%	Yes	Yes	Yes

Truck/Tempo Hire Charges	18%	Yes	Yes	Yes
Club & Membership Fee	18%	Yes	Yes	No
Advertisement Charges/Hoarding/Magazine/News Papers/Media	18%	Yes	Yes	Yes
AMC Charges	18%	Yes	Yes	Yes
Bank Charges – Service Charges recovered	18%	Yes	No	Yes
Broker Fee & Charges	18%	Yes	Yes	Yes
Cancellation Charges	18%	Yes	Yes	Yes
Extended Warranty	18%	Yes	Yes	Yes
House Keeping Charges	18%	Yes	Yes	Yes
Insurance of goods and vehicles	18%	Yes	Yes	Yes
Health Insurance	18%	Yes	No	No
Payment to Advocates	18%	No	Yes	Yes
Loading & Unloading	18%	Yes	Yes	Yes
Training Expenses	18%	Yes	Yes	Yes
Payment to Post Office for Speed Post/Parcel	18%	No	Yes	Yes
Postage & Courier Charges	18%	Yes	Yes	Yes
Printing & Stationery (Flex Printing, Board Printing, Notice Printing)	18%	Yes	Yes	Yes
Recruitment Expenses	18%	Yes	Yes	Yes
Commission Paid	18%	Yes	Yes	Yes
Rent paid for commercial use of premises	18%	Yes	Yes	Yes
Rent for godown for commercial purpose	18%	Yes	Yes	Yes
Repairs & Maintenance – Building/Electrical/P&M/ Others	18%	Yes	Yes	Note 1
Room rent in a hotel/lodge (Rs. 2,500 to Rs, 7,500)	18%	Yes	Yes	Yes
Payment for Sponsorship services	18%	Yes	Yes	No
Security Charges	18%	Yes	Yes	Yes
Telephone, Mobile & Internet Charges	18%	Yes	No	Note 2
Sundry Expenses	18%	Yes	Yes	Yes
Job Work/labour charges for garment processing	18%	Yes	Yes	Yes
Job Work/labour charges – Others	18%	Yes	Yes	Yes
Sitting Fee, Commission or any other payment made to directors by the company	18%	Yes	Yes	Yes
Audit Fee, Account Writing, Professional Fee (Other than Advocates)	18%	Yes	Yes	Yes
Research & Development Expenses	18%	Yes	Yes	Yes
Food & Beverage Expenses (AC Restaurant)	28%	Yes	Yes	No

Wall Paint	28%	Yes	Yes	No
Room rent in a hotel/lodge above Rs. 7,500	28%	Yes	Yes	Yes
Travelling Expenses – International	28%	Yes	Yes	No
Amusement Park/Theatre Ticket	28%	Yes	Yes	Yes
Cold Drinks	40%	Yes	Yes	No
Repairs & Maintenance Charges if it has not resulted into immovable property	18%/28%	Yes	Yes	Yes
Electric Fittings	18%/28%	Yes	Yes	No
Staff Uniform Expenses	5%/12%	Yes	Yes	Yes
Packing Material and Packing Charges	5%/12%/18 %	Yes	Yes	Yes
Plant & Machinery/ Furniture & Fixture	Actual Rate	Yes	Yes	Note 3
Building/ Motor Car	Actual Rate	Yes	Yes	No
Office Equipment including Computer, Software & Hardware	Actual Rate	Yes	Yes	Note 3
Free Gifts to Staff (Exempt upto Rs. 50,000 p.a.)	Actual Rate	Yes	Yes	No
Free Gifts to Staff (Above Rs. 50,000 p.a.)	Applicable Rate	Yes	Yes	Yes
Diwali/New Year Gifts purchased	Applicable Rate	Yes	Yes	Yes

Notes :

1. If repair and maintenance expenses resulted into immovable property, then input credit is not allowed.
2. If Telephone, Mobile & Internet Bill is in the name of the assessee and address and place of business is mentioned, then only one should claim the input credit.
3. Input credit is available fully. However, if it is sold/disposed off/scrapped/thrown away within 5 years, then input credit @ 5% per quarter is availed for the used period and balance is to be reversed for not used fully at the time of date of sale/disposal.
4. Input credit is available only if goods/services are used for business. If goods/services are used for personal use, then input credit is not available. If goods/services are used partially for personal use and partially for business use, then input credit is available partly in proportion to business use.
5. Input credit is not available if outward supply of goods/services is exempt from payment of tax.
6. As per Notification No. 8/2017 dated 28.06.2017, if the aggregate value of goods or services or both debited to Trading Account or expenses debited to Profit & Loss Account or purchase of any asset obtained from unregistered suppliers is less than Rs. 5,000/- in a day, then tax is not required to be paid for such inward supplies by the recipient for that particular day.
7. Details of all purchase of goods or services debited to Trading Account or purchase of any fixed assets are required to be submitted in GST Return whether purchased from registered person or unregistered person or from composition dealer.
8. However, if any expense item are purchased from unregistered supplier and escape the payment of tax in view of Notification No: 8/2017 dated 28.06.2017, then the same are not required to be submitted in GST Return.