

## TEST 2: CHARGE OF GST

### **Illustration 1**

What is a taxable event under GST?

### **Solution**

As per section 9 of CGST Act and section 5 of IGST Act, Taxable event under GST supply of goods or service or both. CGST and SGST / UTGST will be levied on intra - state supplies. IGST will be levied on inter - State supplies.

### **Illustration 2**

Supply of all goods and / or services is taxable under GST. Discuss the validity of the statement.

### **Solution**

The statement is incorrect. Supplies of all goods and services are taxable except alcoholic liquor for human consumption. Supply of petroleum crude, high speed diesel, unit spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be taxable as effect from a future date. This date would be notified by the Government on the recommendations of the GST Council.

### **Illustration 3**

What do you mean by Intra State & Inter State supply?

### **Solution**

As per section 8 of IGST Act, 2017, where the location of supplier and the place of supply are in the same State or same Union territory it shall be treated as an 'Intra State supply'.

As per section 7 of IGST Act, 2017, where the location of supplier and the place of supply are in:

- Two different states or
- Two different union territory or
- State and a union territory

It shall be treated as an 'Inter State Supply'

### **Illustration 4**

Are exports and supplies to SEZ units / Developers out of the ambit of GST?

### **Solution**

No, they are liable to GST under IGST Act, 2017, however, the tax burden on the same will be neutralized by granting refunds to persons making such supplies under section 16 of IGST Act as zero rated Supplies subject to such safeguards, conditions and procedures as may be prescribed.

As per section 7 of IGST Act the supplies made to and from SEZ are deemed to be treated as an inter - State supply.

### **Illustration 5**

State the types of supplies under the GST law?

### **Solution**

The different types of supplies under GST law are as follows:

1. Taxable and exempt supplies
2. Inter - state and intra state supplies
3. Composite and mixed supplies
4. Zero rated supplies

### **Illustration 6**

Differentiate between a taxable supply and non taxable supply under GST?

### **Solution**

Taxable supply	Non taxable supply
As per section 2(108) of CGST Act, means supply of goods or services or both which is leviable to GST under this Act.	As per section 2(78) of CGST Act, means supply of goods or services or both which is not leviable to GST under this Act or under Integrated Goods and Service Tax Act.
Falls under the purview of 'Supply' as per section 7 of CGST Act.	Does not fall under the purview of 'Supply' as per section 7 of CGST Act.
For e.g.: Supply of Gold jewellery or Silver Articles etc.	For e.g. Supply of Petrol or Diesel.