

BRIEF ANALYSIS OF INDIRECT TAX PROPOSALS MADE IN UNION BUDGET 2024-25
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Sr. No.	Section	Amendment in brief	Effective Date	Clause of Finance Bill
Central GST Law				
1	9(1)	<p>Section 9 of CGST Act which provides for Levy and Collection of tax. Section 9(1) is proposed to be amended. Currently, there is no levy on supply of alcoholic liquor for human consumption</p> <p>Now, it is proposed that apart from alcohol, even "un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption" to be kept out of levy of GST</p>	From the date of enactment of Finance Bill 2024	110
2	New Section proposed	<p>Section 11 contains power of Government to grant exemption from tax</p> <p>Now, Section 11A is being proposed to be inserted in the CGST Act, to empower the Government, on recommendation from Council, to forgo such non-levy or short levy of central tax where it is satisfied that such non-levy or short levy was a result of general practice</p> <p>In that case, tax payable if any is not required to be paid</p>	From the date of enactment of Finance Bill 2024	112
3	13(3)	<p>Section 13(3) deals with services in respect of which tax is liable to be paid on reverse charge basis</p> <p>Amendment is proposed in case where payment is not made in advance to supplier, tax liability shall arise earlier of:</p> <p>60 days from the date of issue of invoice by the Supplier in case where supplier is required to issue an invoice, Or date of issue of invoice by the recipient, in case where invoice is to be issued by the Recipient</p>	From the date of enactment of Finance Bill 2024	113

4	16	Section 16 has been amended to extend the time limit to claim input tax credit in the following two cases: 1. Invoices or debit notes pertaining to FY 2017-18 to 2020-21 2. Invoices or debit notes pertaining to Registration Cancelled (RC cancelled) supplier	From the date of enactment of Finance Bill 2024	114
5	17(5)	Section 17(5) has been amended to remove denial of credit in respect of cases involving defaults relating to movement of goods/E-Way bills and cases involving suppression, fraud etc.	From the date of enactment of Finance Bill 2024	115
6	31(3)	Section 31(3)(f) has been amended to provide a time limit to issue a self-invoice by the recipient in respect of supplies on which such recipient is liable to pay GST under reverse charge	From the date of enactment of Finance Bill 2024	118
7	39(3)	Section 39(3) has been amended to mandate filing of returns by a person required to deduct tax at source, even if there is no actual deduction of tax in a particular month	From the date of enactment of Finance Bill 2024	120
8	54	Section 54 is proposed to be amended to debar not only refund of unutilised input credit but also GST paid on export of goods in case goods are subjected to export duty	From the date of enactment of Finance Bill 2024	124
9	70	Section 70 is proposed to be amended to allow authorised representative to appear on behalf of summoned person	From the date of enactment of Finance Bill 2024	131
10	73	It is proposed to replace Section 73 and Section 74 with Section 74A from FY 2024-25 onwards. Section 73 deals with recovery of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for cases other than <i>malafide</i> . Section 74 deals with cases involving <i>malafide</i>	From the date of enactment of Finance Bill 2024	132
11	75	Penalty upto 10% of tax will be required to be paid in case charge of suppression, fraud etc is not established during the appellate proceedings	From the date of enactment of Finance Bill 2024	135
12	107	Section 107 deals with appeals to Appellate Authority It is proposed to reduce the maximum amount of pre-deposit for filing appeal before the Appellate Authority from Rs. 25 Crore to Rs. 20 Crore	From the date of enactment of Finance Bill 2024	137
13	109	Section 109 deals with constitution of Appellate Tribunal and Benches thereof Amendment is proposed to empower the Appellate Tribunal to examine the matters or adjudicate the cases referred to in Section 171 (2) (i.e. Anti-Profitting). Such matters are proposed to be examined or adjudicated only by the Principal Bench	From the date of enactment of Finance Bill 2024	138

14	112	Section 112 deal with appeals to Appellate Tribunal	01.08.2024	139
		Section 112 (1) and (3) are proposed to be amended to empower the Government to notify the date for filing appeal before the Appellate Tribunal and provide a revised time limit for filing appeals before the Appellate Tribunal		
		Appellate Tribunal will permit filing of appeals by the department within 3 months after the expiry of the specified time limit of 6 months. Such amendment is proposed to Section 112(6)	From the date of enactment of Finance Bill 2024	139
		Further, it seeks to amend sub-section (8) of the said Section to reduce the maximum amount of pre-deposit for filing appeals before the Appellate Tribunal from the existing 20% to 10% of the tax in dispute and also reduce the maximum amount payable as pre-deposit from Rs. 50 Crores to Rs. 20 Crores in central tax	From the date of enactment of Finance Bill 2024	139
15	122(1B)	As per Section 122(1B), penalty can be imposed on 'any electronic commerce operator'		
		An amendment has been proposed in Section 122(1B) to restrict imposition of penalty only to electronic commerce operators, who are required to collect tax at source under section 52 of the said Act and not on any other electronic commerce operator	01.10.2023	140
16	128A	A new Section 128A is proposed to be incorporated to provide for conditional waiver of interest and penalty if tax is paid by notified date in respect of demand notices issued under Section 73 of the said Act for the Financial Years 2017-18, 2018-19 and 2019-20, except the demand notices in respect of erroneous refund		
		This waiver is available only in cases where demands are pending either before adjudicating authorities or appellate authorities	From the date of enactment of Finance Bill 2024	142
		Further, in cases where interest and penalty have already been paid, no refund shall be admissible		
17	140	It is proposed to amend Section 140(7) to enable availment of the transitional credit of CENVAT credit by an Input Services Distributor	01.07.2017	143
18	171	An amendment is proposed in Section 171(2) to empower the Government to notify the date from which the Authority under the said Section, shall not accept any application for anti-profiteering cases	From the date of enactment of Finance Bill 2024	144
19	Schedule III	Schedule III is proposed to be amended to include activity of apportionment of co-insurance premium by the lead insurer to the co-insurer, provided that the lead insurer pays the tax liability on the entire amount of premium paid by the insured	From the date of enactment of Finance Bill 2024	145
Integrated GST Law				

20	New Section	New Section - Section 6A is being proposed to be inserted in the IGST Act, to empower the Government to regularise non-levy or short levy of central tax where it is satisfied that such non-levy or short levy was a result of general practice	From the date of enactment of Finance Bill 2024	148
21	16(4)	Earlier, only exports were allowed to be done on payment of GST. Now, the same also would be available for supplies to SEZ.	From the date of enactment of Finance Bill 2024	149
22	20	An amendment is proposed in Section 20 of IGST Act to reduce the maximum amount of pre-deposit payable for filing appeal before the Appellate Authority from Rs. 50 Crore to Rs. 40 Crore of integrated tax Further, it is proposed to reduce the maximum amount payable as pre-deposit for filing appeal before the Appellate Tribunal from Rs. 100 Crore to Rs. 40 Crore of integrated tax	From the date of enactment of Finance Bill 2024	150
Goods and Services Tax (Compensation to States) Law				
23	New Section	New Section 8A is proposed in the GST (Compensation to States) Act to empower the Government to regularise non-levy or short levy of cess where it is satisfied that such non-levy or short levy was a result of general practice	From the date of enactment of Finance Bill 2024	153
Customs Law				
24	Section 28DA and Explanations to Chapter VAA	Section is proposed to be amended to enable acceptance of different types of proof of origin to align Customs Provisions with new trade agreements, which provide for self-certification	From the date of enactment of Finance Bill 2024	100
25	65 (1)	It is proposed that Central Government shall have powers to notify class of goods for which Manufacturing and Other Operations in Warehouse Regulations (MOOWR) Scheme shall not be permitted. Such amendment has been proposed to overturn decision of Delhi High Court in case of <i>ACME Heeragarh Powertech Pvt Ltd V. CBIC (W.P.(C) 10537/2022) 2024 (5) TMI 480</i> wherein High Court struck down the notification restricting solar power units to take benefit of MOOWR Scheme	From the date of enactment of Finance Bill 2024	101
26	143AA & 157 (2) (m)	Board is proposed to be granted powers to simplify or provide different procedure, etc., to facilitate trade and make regulations for measures, separate procedure or documentation not only for importer or exporter but for any person	From the date of enactment of Finance Bill 2024	102 & 103

27	NA	GST Compensation Cess is exempted on goods imported by SEZ Unit or Developer for authorised operations (Notification No. 27/2024-Customs dated 12.07.2024) with effect from 15.07.2024. Now, such exemption is proposed to be given with retrospective effect from 01.07.2017	From the date of enactment of Finance Bill 2024	104
28	NA	For import of Crude Soya-bean Oil (whether or not degummed) and Crude Sunflower Seed Oil, exemption from Basic Customs Duty and Agriculture Infrastructure and Development Cess (AIDC) shall be made effective from 01.04.2023 to 30.06.2023 subject to conditions (Notification No. 37/2023-Cus. dated 10.05.2023). Further, certain conditions are amended retrospectively from 01.04.2023 to 10.05.2023. Consequently, refund shall be granted in case any Duty or Cess has been paid by assesseees if assesseees apply for refund by 31.03.2025	From the date of enactment of Finance Bill 2024	105
29	6	Now, levy of protective duties is proposed to be removed (Section 6 of the Customs Tariff Act, 1975) since Tariff Commission has been wound up by Government from 01.06.2022	From the date of enactment of Finance Bill 2024	106
Central Excise Duty Law				
30	NA	Time limit for submission of final Mega Power Project Certificate is proposed to be extended from 120 to 156 months for exemption from Central Excise retrospectively from 29.06.2017 (Notification No. 12/2012-CE dated 17.03.2012)	From the date of enactment of Finance Bill 2024	108
31	NA	Basic Excise Duty is exempted on excisable goods (except petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel, tobacco and tobacco product) in stock on 30.06.2017 subject to payment of GST. Now, Clean Environment Cess levied as Excise Duty is also proposed to be exempted. Further, the exemption is proposed to be given subject to payment of GST Compensation Cess on supply of such goods on or after 01.07.2017 restrospective from 30.06.2017 (Notification No. 12/2017-CE dated 30.06.2017)	From the date of enactment of Finance Bill 2024	109
32		There are various amendments pertaining to Customs Rates, Tariff and related changes vide Union Budget 2024-25		