



Goods & Services Tax

Educational Series

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TDS under GST (Part-III)

Tax deduction is not required in following situations:

1. Total value of taxable supply \leq Rs. 2.5 Lakh under a contract.
2. Contract value $>$ Rs. 2.5 Lakh for both taxable supply and exempted supply, but the value of taxable supply under the said contract \leq Rs. 2.5 Lakh.
3. Exempt Supplies i.e. Receipt of goods & services which are exempted.
4. Supplies on which no GST leviable. For example petrol, diesel, petroleum crude, natural gas, aviation turbine fuel (ATF) and alcohol for human consumption.
5. All activities or transactions specified in Schedule III of the CGST/SGST Acts 2017, irrespective of the value.

6. Where the location of the supplier (deductee) and place of supply is in a State(s)/UT(s) which is different from the State / UT where the deductor (recipient) is registered i.e. TDS won't be deducted if the supplier as well as the place of supply are in same state but the recipient is located in other state.

Location of Supplier	Place of Supply	Location of Recipient
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Maharashtra	Maharashtra	Haryana
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Here, supply is intra-state supply and CGST and SGST would be levied.

In such case, transfer of TDS (Central tax + State tax of State Maharashtra) to the cash ledger of the supplier (Central tax + State tax of State Haryana) would be difficult. So in such cases, TDS would not be deducted.

Source: SOPs on TDS Provisions issued by Legal Committee, GST Council

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