

**GOVERNMENT OF NAGALAND**  
**OFFICE OF THE COMMISSIONER OF STATE TAXES**  
**NAGALAND: DIMAPUR**

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Opposite DC Office  
Dimapur-797112  
Nagaland

NO. CT/LEG/GST-CR/13/17

Dated Dimapur October 27, 2022

**CIRCULAR-02/2022**

**Subject: Application of the correct rate of tax on ongoing works contract services where there is a change in the rate of tax in respect of goods and services or both with reference to the recent change in the rate of tax from 12% to 18% w.e.f.18.07.2022 reg;**

It is observed that many stakeholders especially work contract service supplier are expressing doubts about the correct application of the tax rate on ongoing works contract services due to the recent change in the rate of tax from 12% to 18% w.e.f. 18.07.2022.

Therefore, the matter was examined and it is hereby clarified that where there is a change in the rate of tax in respect of goods or services or both, the time of supply shall determine the correct rate of tax as mandated under section 14 of the NGST Act, 2017. Section 14 of the NGST Act, 2017 is briefly illustrated as under for general guidance and reference by all concerned;

SI No	Where Goods or Services or both are Supplied	Date of issue of Invoice	Date of receipt of Payment	Time of Supply (TOS)	Applicable GST
1.	Before the change in rate of tax	a. after the change in rate of tax- say 20.08.2022	after the change in rate of tax- say 25.08.2022	date of receipt of payment or the date of issue of invoice, whichever is earlier. Therefore, in this case, TOS will be 20.08.2022	18%
		b. prior to the change in rate of tax- say 16.07.2022	after the change in rate of tax- say 25.08.2022	date of issue of invoice. Therefore, in this case, TOS will be 16.07.2022	12%
		c. after the change in rate of tax- say 20.08.2022	before the change in rate of tax- say 16.07.2022	date of receipt of payment Therefore, in this case, TOS will be 16.07.2022	12%



2.	After the change in rate of tax	a. prior to the change in rate of tax- say 16.07.2022	after the change in rate of tax- say 25.08.2022	date of receipt of payment.  Therefore, in this case the TOS will be 25.08.2022	18%
		b. before the change in rate of tax- say 16.07.2022	before the change in rate of tax- say 17.07.2022	date of receipt of payment or date of issue of invoice, whichever is earlier. Therefore, in this case, the TOS will be 16.07.2022	12%
		c. after the change in rate of tax- say 20.08.2022	before the change in rate of tax- say 16.07.2022	date of issue of invoice.  Therefore, in this case, the TOS will be 20.08.2022	18%


**Note:** "the date of receipt of payment" shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.

Sd/-

(GREGORY THEJAWELIE) IAS  
Commissioner of State Taxes  
Nagaland: Dimapur  
Dated Dimapur October 27, 2022

Memo. NO. CT/LEG/GST-CR/13/17/2076  
Copy to: -

1. The Chief Secretary, Nagaland for kind information
2. The Addl. Chief Secretary & Finance Commissioner to the Government of Nagaland, Finance Department (Revenue Branch), Kohima for kind information.
3. Development Commissioner, Nagaland for kind information.
4. Secretary to the Govt of Nagaland, Works & Housing for kind information.
5. The Chief Engineer, PWD (R&B), Nagaland for kind information
6. The Chief Engineer, PWD, (Housing), Nagaland for kind information
7. All AHODs/HODs for kind information and necessary action.
8. The Deputy Commissioners of State Taxes/ Assistant Commissioners of State Taxes/ Commercial State Tax Officers/ IT Cell, Nagaland for information and necessary action.
9. The Editor, Nagaland Gazette, Kohima for publication in the Gazette Extraordinary.
10. The Director, Information and Public Relations, Kohima for wide publicity.
11. All Concerned.
12. Guard file.

  
27/10/22  
Commissioner of State Taxes  
Nagaland: Dimapur