

GOVERNMENT OF NAGALAND  
FINANCE DEPARTMENT  
(REVENUE BRANCH)

No.FIN/REV-3/GST/1/08/465

Dated 14<sup>th</sup> September 2017

OFFICE MEMORANDUM

**Subject: Advisory for issue of tax invoices & GST facts – reg.**

1. With the introduction of the Goods and Service Tax (GST) in the State from July 1, 2017, it has become imperative upon all authorities who award contracts or execute agreements for supply of goods or services (including works contract) or both, and make payments for such supply of goods or services or both, to ensure that Government revenue is protected and secured under all circumstances.

2. All concerned may note that GST has subsumed all indirect Central and State taxes in the country. GST is administered broadly under three Acts namely, the Central GST (CGST), the State GST (SGST) and the Integrated GST (IGST). Therefore, for better administration and understanding of GST and in continuation of office memorandum of even number dated 11.09.2017, the following facts about GST are highlighted for information and guidance of all concerned:-

- The **Central Goods and Services Tax** is administered by Centre's tax authorities under the CGST Act, 2017.
- The **State Goods and Services Tax** is administered by States' tax authorities under the SGST Act, 2017.
- The **Integrated Goods and Services Tax** is administered under the IGST Act, 2017.
- Both the Centre's and the States' tax authorities exercise powers under all the three Acts through **cross-empowerment** under the Acts.
- Central Goods and Services Tax and State Goods and Services Tax** are levied and collected on **intra-state taxable supplies** where the supplier and place of supply (recipient) are in the same State.
- The **Integrated Goods and Services Tax** is levied and collected on **inter-state taxable supplies** where supplier and place of supply (recipient) are in different States.
- GST is a destination-based tax** where taxes collected are eventually accrued (credited) to the State where the goods or services or both are finally consumed.
- The **tax invoice of the supplier** is the document or the basis upon which the GST paid is transferred to the destination State (where the goods or services are finally consumed).

3. Therefore, it is very critical that the type of tax (whether CGST/SGST or IGST) are correctly recorded in the tax invoice while effecting supplies. Unless the type of tax that one pays or deducts is correctly recorded in the tax invoice of the suppliers along with the **supplier GSTIN, State Code** (State Code of Nagaland is "13") and **address of the recipient** (buyer), the tax so paid, in all likelihood, will be retained by the supplier's State and the consuming (recipient) State like Nagaland, in all probability, will lose the revenue.

4. For consuming States like Nagaland, it is of utmost importance for all concerned to ensure that the **tax invoices issued by the suppliers correctly bears the GSTIN, type of tax, State code and address of the recipient** so that the tax paid on account of goods or services or both to suppliers outside the State are eventually credited to our state.

5. Since the revenue of the State is at stake, it is impressed upon all the AHODs/HODs and DDOs of departments or establishments of the Central Government or State Government; or any local authority or agencies of the State Governmental; or such persons or category of persons as may be notified by the Government (referred to as "Deductor" under the GST Acts) to be vigilant and ensure that the following:-

- That all **contracts or agreements for supply of goods or services or both** are awarded only to registered dealers holding valid GSTIN;
- That before making any payment towards such supply of goods or services or both, the **tax invoices bears the Supplier's GSTIN, Type of tax, State code and address of the recipient**, and the undertaking prescribed by Commissioner of Taxes, Nagaland vide this office letter No. CT/GST-C/160/2016 dated 11.8.2017 is furnished till further orders.
- The Transport Department may take extra care and ensure that **no vehicle purchased (Whether by Government departments or individuals of Nagaland) from outside the State are given registration certificate in the State unless the tax invoice bears the supplier's GSTIN, type of tax as "IGST" with our state code as "13" and address of the buyer** so as to protect and secure the revenue of the state.

6. It is also clarified for general information that for the purpose of effecting tax deducted at source (TDS) under GST, the window for registration for applying GST Identification Number (GSTIN) is scheduled to be opened w.e.f. 18<sup>th</sup> September 2017. The necessity of DDOs obtaining GSTIN has been elaborated in the earlier circulars issued by this department. All concerned may therefore take steps to obtain Tax Deduction and Collection Account Number (TAN) from Income Tax Department and create department's e-mail id forthwith and ensure that their DDOs have valid mobile number, PAN from Income Tax Department, and PAN-linked Class-II or Class-III Digital Signature Certificate (DSC) from authorized certifying authorities.

7. The date from which the provision of TDS under GST is to be made operative shall be notified to all concerned in due course of time.

  
(Temjen Toy)

Addl. Chief Secretary & Finance Commissioner.

No.FIN/REV-3/GST/1/08

Dated 14<sup>th</sup> September 2017

Copy for information and necessary action to:-

- All Administrative Heads of Department Nagaland, Kohima.
- All Heads of Department/Establishments of the Central Government or State Government/ Local Authorities/Governmental Agencies/Persons notified as "Deductor" under GST Acts.
- Commissioner of Taxes, Nagaland, Dimapur.
- Deputy Commissioner of Taxes, Dimapur/Kohima/Mokokchung Zone and Mobile Squad.
- Superintendent of Taxes, Dimapur-Ward A/B/C/D/E/F; Kohima Ward-A/B/C; Mokokchung Ward-A/B; Mon/ Phek/ Tuensang/ Wokha/ Zunheboto.
- Guard file.

  
(Temjen Toy)

Addl. Chief Secretary & Finance Commissioner.