GOVERNMENT OF NAGALAND
FINANCE DEPARTMENT
(REVENUE BRANCH)

Dated 16th September, 2025

No. FIN/REV-3/GST/1/08(Pt.1) (Vol.1)/94

OFFICE MEMORANDUM

With reference to the O.M No. FIN/REV-3/GST/1/08 (Pt-1) (Vol.1) dated 27/06/2023, in order to further streamline and facilitate the smooth release of payments and to promote ease of doing business, the following changes have been effected: -

I. Guidelines for Drawing and Disbursing Officers (DDOs)

1. DDOs shall withhold the GST component involved in each bill, in addition to deducting 2% TDS under Section 51 of the NGST Act, at the time of release of payment. For suppliers, the applicable GST rate should be deducted based on the nature of goods or services supplied.
***The additional 2% of the taxable value deducted in addition to above deductions earlier, shall stand withdrawn.**
2. DDOs shall file monthly TDS returns in Form GSTR-7, even in the case of Nil deductions, and deposit the deducted TDS amount by the 10th of the succeeding month.
3. The withheld GST component shall be released only upon production of the Tax Clearance Certificate (TCC) issued by the jurisdictional Tax Authority.
4. For contracts not exceeding 2.5 lakhs, TDS is not required. However, GST remains applicable, and a TCC must still be produced prior to payment release.
5. No contract or supply order shall be awarded to any person or entity without a valid GSTIN issued by the State Tax Authorities of Nagaland.
6. For contracts/supplies awarded prior to the issuance of this letter to taxpayers registered outside Nagaland, the DDO must obtain confirmation of IGST payment from the Office of the Commissioner of Taxes, Nagaland, before releasing any withheld amount.
7. Failure to comply with NGST provisions will attract legal consequences, including interest under Section 50, penalty under Section 122, and other disciplinary actions as deemed appropriate.

II. Guidelines for Taxpayers (Suppliers and Works Contractors)

1. Must possess a valid GSTIN registered under the jurisdiction of the State Tax Authorities of Nagaland.
2. Upon receiving payment, must:
   - File GSTR-1 (by the 10th of the following month)
   - File GSTR-3B (by the 20th of the following month)
   - Pay applicable GST within these timelines.

3. After filing returns, apply for and obtain a TCC from the jurisdictional Tax Authority for the relevant tax invoice.
4. Submit the TCC to the concerned DDO to claim the withheld GST amount.

III. If GST Has Already Been Paid Before Payment Release

1. The taxpayer may apply directly for a TCC from the jurisdictional Tax Authority.
2. Upon submission of the TCC to the DDO, the officer shall:
   - Deduct 2% TDS
   - Release the remaining amount without further withholding.

IV. Timely Disposal of TCC Applications

The jurisdictional Tax Authority shall verify and issue or reject the TCC within 24 working hours of receiving a complete application along with the proof of GST payment for the relevant invoice(s).

Note:

- The mode of submission of TCC applications (Annexure-1) and issuance by Tax Authorities shall remain unchanged.
- All previous OMs and circulars relating to TCC stand revised with immediate effect.

Sd/-
(SENTIYANGER IMCHEN) IAS
Chief Secretary

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Copy to: -

1. All Administrative Heads of Departments for information & necessary action.
2. All Heads of Department for information & necessary action.
3. The Commissioner of State Taxes, Nagaland, Dimapur.
4. Office Copy.

(KESONYU YHOME) IAS
Finance Commissioner