



GST Data Migration

T. Anuradha

Senior Lecturer, Department of Commerce, St. Ann's College for Women, Mehdipatnam.

Abstract

The central government is all committed to rollout the Goods Services Tax (GST) regime from 1 July 2017. This is evident with the enrolment process that commenced from November 2016. The first step in fulfilling the compliance procedure under GST is Migration of registration for existing taxpayers from the current tax regime. The GST online enrolment for existing tax payers is a very quick user friendly procedure that is available on the government GSTN (network) common portal. This process is common to all taxpayers under both Central GST and State GST. This migration process would bring about a common registration, common return and common payment challan for all purposes under GST. This would ensure smooth and hassle free transition to the new GST regime. The first phase of migration is for taxpayers registered under state VAT and central excise and the second phase shall cover all taxpayers under the service tax. The present paper makes an attempt to understand the need for data migration along with the enrolment process. The migration to GST is the first step forward which will pave the way for a uniform registration for all indirect tax payers. If this step encompasses all realms of the subsumed tax structures then the success of GST can be foreseen in the ensuing phases of its implementation.

Keywords: Migration, GST Portal, Registration Process.

Introduction

The government of India is committed to swap all the indirect taxes levied on goods and services by the Centre and States and put into operation Goods and Services Tax (GST) by July 2017. The ratification by several states and the subsequent Constitution Amendment Bill for GST that has been approved by the President of India has set out the expected roll out date in early July in 2017.

GST will be a game changing reform for the Indian economy by creating a common Indian market and reducing the cascading effect of tax on the cost of goods and services. It will impact the tax structure, tax incidence, tax computation, tax payment, compliance, credit utilization and reporting, leading to a complete overhaul of the current indirect tax system. GST is a value-added tax levied at all points in the supply chain with credit allowed for any tax paid on input acquired for use in making the supply. It is anticipated that the tax base will be comprehensive, as virtually all goods and services will be taxable, with minimum exemptions. GST will have a far-reaching impact on almost all the aspects of the business operations in the country like, pricing of products and services, supply chain optimization, IT, accounting, and tax compliance systems. In keeping with the federal structure of India, it is proposed that GST (under the proposed Model GST) will be levied concurrently by the Centre (CGST) and the states (SGST). And Inter-state supplies within India would attract an Integrated GST (aggregate of CGST and the SGST of the destination State). It is expected that the base and other essential design features would be common between CGST and SGST across SGSTs for individual states. Both CGST and SGST would be levied on the basis of the destination principle. GST is the tax levied by the central government and state government together to subsume most of the indirect taxes. (As represented in Chart1)

It is quite evident that the present tax structure has several central and state tax authorities under whom the existing dealer/tax payers are registered and comply with for all purposes of the indirect tax law. The proposed Model GST as laid out, u/s 19 to 22 and the Draft Rules 1-17 deals with the migration to GST, the registration of taxable person. Hence, it is very important to understand the registration procedure under GST because even the existing dealer will also have to apply for the GST registration online.

Chart 1: Indirect Taxes Subsumed

Central Taxes	State taxes
Taxes to be Subsumed	
<ul style="list-style-type: none"> • Excise Duty • Excise Duty levied under the Medicinal & Toiletries Preparation Act • Countervailing Duty in lieu of Excise Duty • Special Additional Duty of Customs • Service tax • CST • Surcharges & Cesses (relating to supply of goods & services) 	<ul style="list-style-type: none"> • VAT • Entry tax • Luxury tax • Tax on entertainment and amusement not levied and collected by Panchayat / Municipality / Regional Council / District Council • Taxes on lottery, betting & gambling • State cesses & surcharges (relating to supply of goods & services)

Taxes not subsumed	
<ul style="list-style-type: none"> • Basic Customs Duty and Export Duties • Terminal taxes on goods or passengers, carried by railway, sea or air; taxes on railway fares and freights • Taxes other than Stamp Duties on transactions in stock exchanges and futures markets • R&D Cess? 	<ul style="list-style-type: none"> • Stamp Duties • Taxes on lands and buildings • Taxes on consumption or sale of electricity • Taxes on goods and passengers carried by road or on inland waterways • Taxes on vehicles • Tolls • Taxes on professions, trades, callings and employments

Source: compiled data

Need for the Present Study

The current indirect tax regime is ridden with plethora of acts, authorities, structures, procedures, portals, collection methods, etc. Each indirect tax system i.e., excise duty or service tax etc., necessitates diverse compliances thereof, which provide details which are useful only under that particular tax regime which thus insufficient as per the GST prerequisites. Thus fresh data is to be obtained.

The proposed prerequisites of GST are 120 fields of dealer data which cannot be obtained by a mere collection of existing information from Central Board for Excise and Customs (CBEC) and the respective states/UT database. Furthermore various states VAT data does not adhere to Meta Data Standards (MDS) which is a foremost requisition under GST. Hence fresh data will have to be collected as existing data can't be used as it requires dealers current and other relevant details. Data migration in respect of VAT registrations is being effected currently from local VAT software to Goods and Services Tax Network (GSTN) that will be a common portal for both the CBEC State VAT departments.

In this context the study gains significance to understand the modalities applied to gather such enormous information during the stipulated time i.e., November 2016 to March 2017, for the successful rollout of GST from July 2017.

Chart 2: Why data cannot be migrated from it systems of CBEC and state VATS

Prerequisites	Current Status
Availability of complete Dealer data in States / UTs database	GST Form has 120 fields whereas Service Tax has 42 and states between 50 to 107
Data should adhere to Meta Data Standards	State VAT data does not adhere to Meta Data Standards (MDS)
Data should be relevant and current	Of varying age. Many documents are on paper files. Data is old in many cases as amendments have not taken place

Objective of the Study

1. To understand need and the migration/enrolment process to GST under the proposed government GSTN portal
2. To enumerate the salient features of data migration to GST.

Methodology of the Study

The methodology adapted for the study was compilation of secondary data available online. The data was primarily collected from the Secondary data available on the Migration to GST on the official website of the Central Board for Excise and Customs (CBEC), Government of India portal and several other literature available to guide dealers to migrate to GST through the GST Network (GSTN) portal.

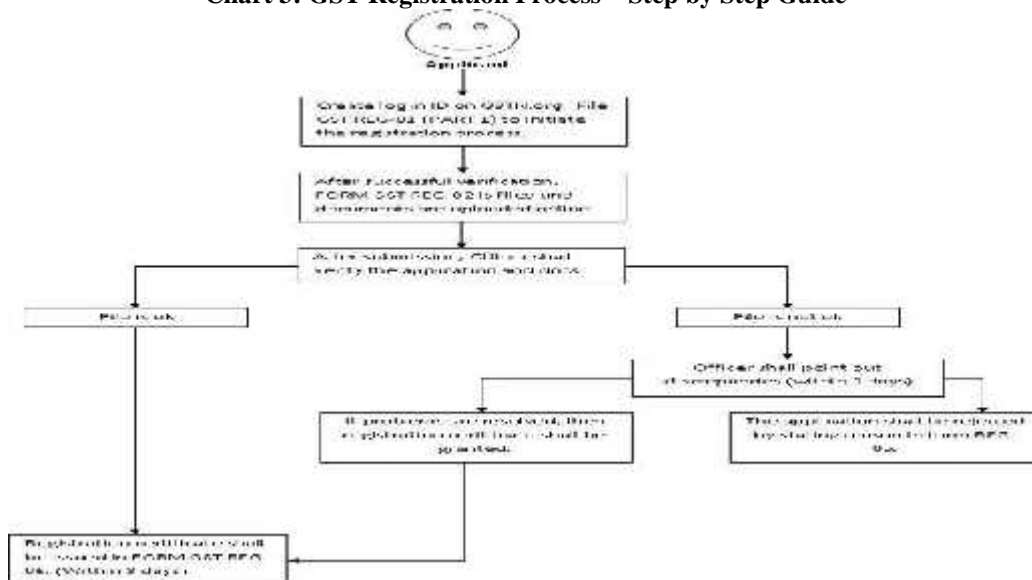
Existing Taxpayer Migration to GST

GST migration is a transfer of existing client data from the earlier system to the new GST method. The main purpose is to facilitate existing clients to do business devoid of hassles, sort out inconsistencies and get ready for the smooth transition for the roll out of GST on April 1, 2017. This is quite an exigent task but would help in giving a clear picture of how the migration process would set in place the implementation of the ensuing GST regime.

The process of migrating of existing taxpayers to the GST network (GSTN) is in progress since November 8, 2016 with the launching of the GSTN portal which enables taxpayers located across different states to update their information and other relevant documents as a first step towards obtaining a registration number under GST. Government has launched the existing

registration migration project under GST, an existing tax payer registered under VAT/ Service Tax/ Excise have to migrate their registration as per allotted dates.

Chart 3: GST Registration Process – Step by Step Guide



Source data : www.gst.hubconetwork

The Important Stages in the Migration into GST 2017

1. All the indirect taxes of Center and State including Central Excise and Service Tax would be subsumed in the GST.
2. Generation of Provisional ID and Password from PAN verified data (including data from 1/1/2016 to 31/8/2016)
3. Three Phase Migration Process
 - VAT
 - Service/Excise Tax (not registered under VAT)
 - All existing Central Excise and Service Tax assesseees will be migrated to GST starting -Incremental Data (1/9/2016 to 20/3/2017)
4. Creation of GST portal for Data Migration: www.gst.gov.in
5. Helpdesk (in English and Hindi languages) for Taxpayers and Tax Officials
6. MIS Reports to Tax Authorities on daily progress
7. Remaining 12% whose PAN has not been validated: States are to take it up with them again and send the data as incremental data.
8. In case the assessee is also registered with State Commercial Tax Dept. (State VAT/Luxury Tax/ Entry Tax/ Entertainment Tax) and has already initiated this process of migration, then no further action is required to be taken in terms of the Guidance Note by such assessee as a Central Excise/Service Tax assessee.
9. In order to migrate to GST, an assessee needs to have a provisional ID and password. These details can be obtained by logging into ACES portal (www.aces.gov.in) and also can be obtained from GSTN (www.gst.gov.in) and assessee may periodically log in to see their status.

Existing Taxpayers of VAT, Service Tax, Central Excise can login to www.gst.gov.in and follow the simple steps given

- Enroll for a user ID and password under the portal for smooth transition to GST
- To register in form PART 1 of GST REG-01 with The PAN, Mobile number, email ID etc, it will be automatically verified with a one time password issued for this purpose.
- The following documents need to be uploaded along with registration form in FORM GST REG – 02 - Photograph, Constitution of taxpayer (Partnership deed, COI, etc.), Proof of principle place of business (electricity bill, NOC, rent agreement), Bank Account details, etc.
- A provisional ID will be issued by the concerned tax officer, if any deficiency is found in the application, then it shall be communicated to the applicant within 3 working days in FORM GST REG-03.
- **Registration Certificate:** When the application is approved by the officer, then a certificate of registration in FORM GST REG-06 shall be issued through a common portal. The applicant can easily download the registration certificate from the common portal using their log in id passwords.

- **Separate registration for each branch:** If the applicant have different branches in different states, then separate registration needs to be applied for each state.
 - A registered taxable person eligible to obtain a separate registration for business verticals may file separate application in FORM GST REG-1 in respect of each such vertical.
10. In case the Central Excise or Service Tax registration does not have a valid Income Tax PAN number, the assessee needs to obtain the PAN number and update his registration details on to ACES portal before he can be migrated to GST.
 11. An assessee may not be provided a Provisional ID in the following cases:
 - The PAN associated with the registration is not valid.
 - The PAN is registered with State Tax authority and Provisional ID has been supplied by the said State Tax authority.
 - There are multiple CE/ST registrations on the same PAN in a State. In this case only 1 Provisional ID would be issued for the 1st registration in the alphabetical order provided any of the above 2 conditions are not met.
 12. Since in GST regime, one unique registration for a single PAN per State would be issued, the existing assesseees would be given one provisional ID per State where place of business is registered in current CE and ST registrations. The remaining registrations in a State could be added as additional place of business in the details filled at the GSTN portal.
 13. The assesseees need to use this Provisional ID and Password to logon to the GST Common Portal (<https://www.gst.gov.in>) where they would be required to fill and submit the Form -REG 20 along with necessary supporting documents.
 14. Enrolment is being taken up in a staggered manner to ensure a easy transition to GST.

The Salient Features of Data Migration to GST

1. Other than the proposed subsumed taxes, there are other indirect taxes which shall continue post – GST regime.
 - Basic customs duty,
 - Taxes on transactions in stock exchange (STT),
 - Taxes on lands and building, taxes on mineral rights,
 - Duties of excise on alcoholic liquors, opium, Indian hemp, etc.,
 - Stamp duty,
 - Taxes on professions, trade, employments.
 - Taxes on vehicles, (under entry 35 of list III),
 - Taxes on goods and passengers carried by road or on inland waterways,

Chart 4: GST Migration activated up to 15th February 2017

S. No	Group	Start Date	State	Number of Taxpayers with validated PAN	User activated till date	Percentage of User Activated
1	1	8/11/2016	Puducherry	14519	11502	79.22%
2	1	8/11/2016	Sikkim	2771	1305	47.09%
3	2	14/11/2016	Maharashtra	799529	599554	74.99%
4	2	14/11/2016	Goa	22717	11143	49.05%
5	2	14/11/2016	Daman and Diu	4669	2616	56.03%
6	2	14/11/2016	Dadra and Nagar Haveli	4136	2434	58.85%
7	2	14/11/2016	Chhattisgarh	105297	79438	75.44%
8	2	15/11/2016	Gujarat	465446	407341	87.52%
9	3	30/11/2016	Odisha	180921	55151	30.48%
10	3	30/11/2016	Jharkhand	87369	47323	54.16%
11	3	30/11/2016	Bihar	228979	104190	45.50%
12	3	30/11/2016	West Bengal	264131	175414	66.41%
13	3	30/11/2016	Madhya Pradesh	246917	214413	86.84%
14	3	30/11/2016	Assam	186115	19510	10.48%
15	3	30/11/2016	Tripura	15392	3344	21.73%
16	3	30/11/2016	Meghalaya	23887	3235	13.54%
17	3	30/11/2016	Nagaland	5150	2055	39.90%

18	3	30/11/2016	Arunachal Pradesh	3363	876	26.05%
19	3	30/11/2016	Mizoram	1875	597	31.84%
20	3	30/11/2016	Manipur	5233	766	14.64%
21	4	16/12/2016	Uttar Pradesh	744061	496664	66.75%
22	4	16/12/2016	Jammu & Kashmir	37312	196	0.53%
23	4	16/12/2016	Delhi	353266	187893	53.19%
24	4	16/12/2016	Chandigarh	17317	11718	67.67%
25	4	16/12/2016	Haryana	238787	114965	48.15%
26	4	16/12/2016	Punjab	218215	97649	44.75%
27	4	16/12/2016	Uttarakhand	96965	45539	46.96%
28	4	16/12/2016	Himachal Pradesh	59814	23596	39.45%
29	4	16/12/2016	Rajasthan	541702	391084	72.20%
30	5	1/1/2017	Kerala	255036	143748	56.36%
31	5	1/1/2017	Tamilnadu	645316	496677	76.97%
32	5	1/1/2017	Karnataka	520160	481229	92.52%
33	5	1/1/2017	Telangana	210267	128714	61.21%
34	5	1/1/2017	Andhra Pradesh	159151	146194	91.86%
			Total for State VAT Users	6765785	4508073	66.63%

Source : CBEC

- The above table shows 66.63% of successful validation and activation of dealer registration complete, which is assumed to be 100% complete by 20 March 2017, given the number of acts and size of dealers in the country.
- Commodities proposed to be kept outside the purview of GST and **to be reviewed later** by Central and state Governments are Alcohol for human consumption, petrol products, electricity, tobacco and tobacco products
- Based on the registration procedure involved, various forms are to be filled in Forms REG 01 to form REG 20.
- Paperless procedure:** The whole system of enrollment will be paperless; hence, no hard copies shall be entertained by the department. This system is expected to reduce the interference of all maladies of vested interested groups.
- Registration threshold :** As per the Schedule III of the model GST it is mandatory for every person/supplier to register if the aggregate annual turnover is more than Rs 20 lakh, (Rs.10 lakhs for supplier in any of the North Eastern States including Sikkim)
- Dual Model of GST** Under the dual GST system, the Center Government and State Governments are simultaneously levying the taxes on supply of goods and services.
- There is **no registration fee charged**. The enrolment process is made simple, through easily understandable steps of online enrollment, even Amendment, cancellation and revocation.
- A tweeter handle “GST Enrolment” started so that all comments are targeted at one place

Conclusion

All existing indirect taxpayers will have to migrate to GST. Except Liquor dealers registered under the VAT are not required to migrate immediately. There is no deemed enrollment under GST, all the taxpayers are expected to enroll themselves at the GST common portal. Existing taxpayers are not required to enroll separately with Central and State authorities under GST. There is no fee or charge levied for the enrollment of a taxpayer under GST. The phase wise (statewise) GST migration process which started on Nov 8, 2016 and will go on till 31st January. The incremental data if any is sought from respective states upto March 20, 2017. The GST network has already collated basic information such as PAN and names from existing databases of the income tax department but needs more detailed data such as place of operation, nature of business and bank account details.

The migration to GST is the first step forward which will pave the way for a uniform registration for all indirect tax payers. If this step encompasses all realms of the subsumed tax structures then the success of GST can be foreseen in the ensuing phases of its implementation.

References

- <https://www.hubco.in/articles/how-to-register-under-gst-online-step-by-step-procedure-for-gst-registration-in-india>
- https://www.taxmanagementindia.com/visitor/detail_article.asp?ArticleID=7209&kw=Article-on-Registration-under-Revised-GST-Model
- www.gst.gov.in
- Rk. Jha and PK. Singh 2016 Asia Law House, Hyderabad, “ A Birds eye view of GST”