

## UNIT -IV

### GST PAYMENT MODES:

A registered taxpayer has 3 different ledgers under GST created and maintained during the registration process for knowing the tax liability. They are

- Electronic Tax Liability Ledger
- Electronic Cash Ledger
- Electronic Credit Ledger

#### **The Electronic Tax Liability Ledger:**

An electronic tax liability register maintains the liabilities of a taxpayer under GST. This ledger contains details like the tax due on filing a GST return, interest, penalty and demands of a taxpayer.

#### **Electronic Cash Ledger:**

A registered taxpayer can make GST payment through online banking, credit or debit card, wire transfer or over the counter payment. The amount of tax appears in this ledger under GST. The GST tax payment is allowed only through bank if tax amount is exceeds Rs.10,000.

When a taxpayer makes GST payment, he should specify the heads under which payments are to be credited. (major heads are CGST, SGST, IGST and minor heads like tax, interest, penalty, fees and others.) Based on the tax challan and heads, this ledger will display available balance. It maintains a record of GST payment made by the customer. It also includes credit for the amount deducted as TDS or TCS of the taxpayer under GST.

#### **Electronic Credit Ledger**

An electronic credit ledger under GST records all the tax payments made by a taxpayer. Then it auto fetches the data based on the **GSTR-1** and **GSTR-2 returns** filed by all registered taxpayers under GST. To compensate GST liability the credit in electronic credit ledger used. The different types of credits available are:

**IGST Credit:** The IGST payment can be done using your IGST input tax credit. It can also be used to pay tax liability under CGST and SGST.

#### **CGST Credit**

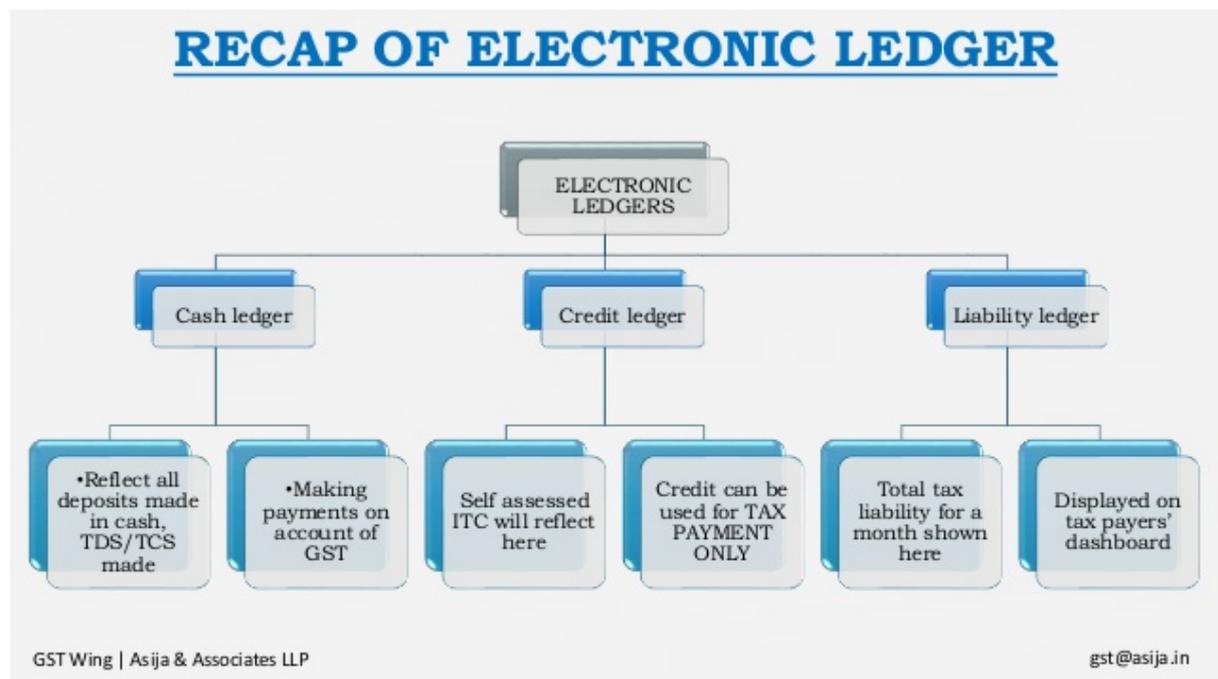
IGST liability can be paid using CGST input tax credit but cannot be paid from SGST liability.

#### **SGST Credit**

IGST liability can be paid using SGST input tax credit but cannot be paid from CGST liability.

**Note:**

All payments under GST is done by using the available credits in the electronic credit ledger or electronic cash ledger. A unique identification number then generated in the GST portal for your every debit or credit to the electronic cash or credit ledger.



## **UNIT – V**

### **ADVANCE RECEIPTS**

The amount received in **advance** before the issue of the **invoice**, the time of supply would be the date of **receipt of advance**. Thus taxpayer receiving **advance** must pay **GST** on the money

If the turnover of your business is over and above Rs 1.5 crores, set the option **Enable tax liability on advance receipts** to **Yes** in the **Company GST Details** screen to calculate tax liability on advance receipts. The liability will be included in **GSTR-1** and **GSTR-3B** returns.

if the supply is not fulfilled in the same period, GST has to paid for any advance received for such goods or services, When a sales invoice is raised against an advance received in a different tax period, then the sales is tracked against the advance received.

### **Advance Receipt from Customer In TALLY**

#### **To record a receipt voucher for advance received from customer**

- Go to **Gateway of Tally > Accounting Vouchers > F6: Receipt**.  
Click **ALT+N**: **Nature of Receipt > Advance Receipt** to mark the voucher for advance receipt.

<b>National Enterprises</b>
<b><u>Nature of Receipt</u></b>
████████████████████
<b>Nature of Receipt</b>
▮ Not Applicable
<b>Advance Receipt</b>
Refund of Advance Payment

- **Account** : Select the bank to which the payment will be made.
- Select the party ledger. Ensure the bill-wise details is enabled in the ledger master.
- The **Advance Receipt Details** screen appears with the list of stock items. To select a ledger, click **L : Show Ledgers** . Click **F12: Configure** and set the options:

**Note:** In the **GST Details** screen of the invoice, the option **Is reverse charge applicable?** appears as set in the master, and the same configuration appears in brackets for reference. You can change this while recording the invoice, if required.

- Enter the **Advance Amount** , which is inclusive of GST . This can be adjusted against the sales invoice partially/fully, based on the sale value. At the end of the month, depending on the balance amount of the advance available, a journal voucher is recorded to raise the liability.

Based on the amount entered, the break-up of the GST amount gets auto calculated for **Central Tax** , **State Tax** , and **Cess** , if applicable. The **Advance Receipt Details** screen appears as shown below:

Advance Receipt Details													
Particulars	Item Rate	Advance Amount	Taxable Value	Central Tax		State Tax		Cess					
				Rate	Amount	Rate	Amount	Rate	Amount	Rate Per	Quantity	Amount	
Transport Services (By Road)		64,900.00	64,900.00	9 %	5,841.00	9 %	5,841.00						
		64,900.00	64,900.00		5,841.00		5,841.00						

*Note: Amount of tax subject to reverse charge*

- Press **Ctrl+A** to accept the **Advance Receipt Details** screen and return to the receipt voucher.
- Select the type of reference as **Advance**
- Accept the receipt voucher.

## Journal voucher to raise the liability

### A journal voucher is recorded to raise the liability

1. Go to **Gateway of Tally > Accounting Vouchers > F7: Journal** .

Accounting Voucher Creation		National Enterprises		Ctrl + M
<b>Journal</b>	No. 1			17-Jul-2017 Monday
Used for: <b>Increase of Tax Liability</b> (Additional Details: On Account of Advance Receipts)				
Particulars	Debit	Credit		
Dr <b>Tax on Advance</b>	9,900.00			
<i>Cur Bal: 9,900.00 Dr</i>				
Cr <b>State Tax</b>		4,950.00		
<i>Cur Bal: 4,950.00 Cr</i>				
Cr <b>Central Tax</b>		4,950.00		
<i>Cur Bal: 4,950.00 Cr</i>				
Provide GST Details: <b>Yes</b>				
Narration:			9,900.00	9,900.00
				Accept ? Yes or No

2. Click **ALT + J**: Stat Adjustment .
3. Select the options as shown below:

<u>Stat Adjustment</u>	
Type of duty/tax	: <b>GST</b>
Nature of adjustment	: <b>Increase of Tax Liability</b>
Additional Details	: <b>On Account of Advance Receipts</b>

4. Debit the expense ledger, or the ledger grouped under Current Assets.
5. Credit the GST ledgers for the tax on advance receipt. Enter the tax **Rate** and **Taxable Value** in the **GST Details** screen displayed for each tax ledger.
6. Set the option **Provide GST Details?** to **Yes** .
7. In the **Statutory Details** screen, select the party ledger.

<u>Advance Details</u>		Party Type
Ledger Name	: <b>Excel Enterprises</b>	
Place of supply	: <b>Karnataka</b>	
Registration type	: <b>Regular</b>	
Party type	: <b>[ Not Applicable</b>	<b>[ Not Applicable</b>
GSTIN/UIN	: <b>29 5</b>	Deemed Export
		Embassy/UN Body
		SEZ

8. Press **Enter** to save.
9. Press **Ctrl+A** to accept the voucher.

The tax liability raised on the advance amount appears in **GSTR-1** , as shown below:

GSTR-1		National Enterprises							Ctrl + M
GSTR-1		1-Jul-2017 to 31-Jul-2017							
<b>Returns Summary</b>									
Total number of vouchers for the period								2	
Included in returns								1	
Not relevant for returns								1	
Incomplete/Mismatch in information (to be resolved)								0	
Sl No.	Particulars	Voucher Count	Taxable Value	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Invoice Amount	
1	B2B Invoices - 4A, 4B, 4C, 6B, 6C								
2	B2C(Large) Invoices - 5A, 5B								
3	B2C(Small) Invoices - 7								
4	Credit/Debit Notes(Registered) - 9B								
5	Credit/Debit Notes(Unregistered) - 9B								
6	Exports Invoices - 6A								
7	Tax Liability(Advances received) - 11A(1), 11A(2)	1	55,000.00		4,950.00	4,950.00		64,900.00	
8	Adjustment of Advances - 11B(1), 11B(2)								
9	Nil Rated Invoices - 8A, 8B, 8C, 8D								
<b>Total</b>		<b>1</b>	<b>55,000.00</b>		<b>4,950.00</b>	<b>4,950.00</b>		<b>64,900.00</b>	
HSN/SAC Summary - 12									
Document Summary - 13									
<b>Advance Receipts</b>									
Amount unadjusted against supplies								64,900.00	
Sales against advance from previous periods								0.00	

Note: Voucher count and values are not provided for HSN/SAC Summary and Document Summary. Drill down for details.

## Advance payment:

An advance payment is that part of a contractually due that is paid in advance for goods or services. Under the current article we would look into the provisions affecting the advance payment under **Goods and Service Tax (GST)** like the time of supply, receipt voucher, refund voucher, applicable exemption and reflection of advance payment entries in the Goods and Service Tax Return.

## Advance payment entry in Tally

With Tally.ERP 9, we can record advance payments made to registered or unregistered dealers in a payment voucher and now can raise liability in journal voucher (GST Tax liability on purchases), and can also record a refund in receipt voucher where such advance payment transaction is cancelled, and cancel the liability (GST Tax liability on purchases) on advance payment in journal voucher.

So post GST it becomes necessary to pass an entry for recognizing tax liability in cases of advance payments to suppliers since the same has to be reported in GSTR 2 return under Section Advance Payments. Meaning thereby once the advance is proceeded from recipient it is by virtue of law to adjust that sum first against the tax liability due and then balance against the party's balance.

- Gateway of Tally > Voucher > F5 Payments Voucher

**Choose Destination:** ALT + N to enter > Nature of payment > Advance payment under reverse charge to record advance payment entry in Tally

### Phase I: Detailed Steps to pass advance payment entry in tally GST:

Step 1	Go to Gateway of Tally > Accounting Vouchers > F5: Payment.
Step 2	Click N: Nature of Payment > Advance payment under reverse charge to mark the voucher for advance payment.
Step 3	In payments voucher screen, Select the bank to which the payment will be made. (Crediting Bank ledger for payment)
Step 4	Select the party ledger (Entry to pass is Debit to Party ledger)
Step 5	Select the Stock Item (goods enabled for GST) or Ledger Name (services

	enabled for GST), and enter the Advance Amount.
Note 1: The Advance Amount appears as the Taxable Value, and the tax amount is calculated on this. The tax values shown in the Advance Payment Details is the amount on which we need to generate the liability in a journal voucher.	
Note 2: The tax type appears as integrated tax, or central tax and state tax, based on the state selected for the party ledger.	
Step 6	Press Ctrl + A to save the Advance Payment Details screen.
Step 7	Select the type of reference as Advance and enter the reference details in the Bill wise Details screen.
Step 8	Press Ctrl + A to accept

## Phase II: Recognizing Tax liability and recording a journal to give effect: *Starting*

**Point.** : Gateway of Tally. ERP 9 > Accounting Vouchers > F7 Journal

**Choose Destination:** ALT + J > Stat adjustment to pass a journal to effect tax liability entry on account of advance payments.

### Detailed Steps to pass journal entry to increase tax liability on advances :

Step 1	Go to Gateway of Tally > Accounting Vouchers > F7: Journal.
Step 2	Click J: Stat Adjustment.
Step 3	Select the options as : <ul style="list-style-type: none"> <li>• Type of Duty/ Tax. : GST</li> <li>• Nature of adjustment. : Increase of tax liability</li> <li>• Additional details. : Advances paid under reverse charge</li> </ul>
Step 4	Pass the following journal entry: Dr. Tax on advance [debiting the ledger created in whatsoever name under current asset]. xxx  Cr. GST Ledger [ Select appropriate for transaction – For intra state (CGST and SGST) For inter State (IGST)]. xxx
Step 6	Press enter to save

### Method of adjustment in Tally.ERP 9 for adjusting advance payments against purchases :

- The first step is to record purchase using Accounting Vouchers section from gateway of Tally and selecting F9 for purchases.
- In bill wise section screen (Supposing that the advance payment made was Rs. 1,00,000/- but the bill value stands to be Rs. 1,25,000/-) under against reference column give the advance reference number used while passing the advance entry for Rs. 1,00,000/- and under New reference column give the purchase invoice or suppliers reference number for balance amount (in this case to be Rs. 25,000/-)

***NOTE: NO NEED TO DRAW ALL THE SCREENS, THEY ARE GIVEN FOR BETTER UNDERSTANDING***