

Bill Summary

The Haryana Goods and Services Tax (Amendment) Bill, 2023

- The Haryana Goods and Services Tax (Amendment) Bill, 2023 was introduced in the Haryana Legislative Assembly on August 28, 2023. The Bill amends the Haryana Goods and Services Tax Act, 2017. The Act provides for the levy and collection of SGST on the intra-state supply of goods and services.
- **SGST on specified actionable claims:** Under the Act, transactions involving actionable claims are not considered to be supply of goods or services. Thus, they are not liable to be taxed. An actionable claim refers to a claim to any debt which is not secured by mortgage of immovable property or by pledge of moveable property. This excludes lottery, betting, and gambling.
- The Bill provides that suppliers of specified actionable claims will be liable to pay SGST. The Bill defines specified actionable claims as actionable claims involved in: (i) betting, (ii) casinos, (iii) horse racing, (iv) lottery, (v) gambling, or (vi) online money gaming. Online money gaming refers to online games where players pay or deposit money (including virtual digital assets) with the expectation of winning money or money’s worth. This applies to any game, scheme, competition, or other activity irrespective of its outcome being based on skill, chance, or both. It includes online money games which may be allowed or banned under any law. Online games refer to games offered on the internet or an electronic network.
- **Suppliers of specified actionable claims:** Under the Bill, a person who organises or arranges the supply of specified actionable claims will be deemed to be their supplier. This includes persons who own, operate, or manage digital or electronic platforms for such supply. This will be irrespective of the manner in which the consideration for supply of such claims is conveyed to the person or placed at his disposal. The consideration may include money or money’s worth including virtual digital assets.

The Bill provides that persons supplying online money gaming from outside India to persons in India must also register under the Act.
- **Removal of certain offences:** The Bill removes the following offences for persons other than taxable persons: (i) obstructing an officer from discharging their duties, (ii) tampering or destroying material evidence or documents, and (iii) failing to supply information as required under the Act or supplying wrong information.
- **Penalties for certain activities in e-commerce:** The Bill adds that e-commerce operators will be liable to pay a penalty for: (i) allowing the supply of goods and services by an unregistered person, (ii) allowing the inter-state supply of goods and services by a non-eligible person, or (iii) failing to furnish required details of outward supplies by exempted entities. The penalty will be Rs 10,000 or an amount equal to the tax involved had such supply been made by a registered person.
- **Compounding of offences:** Offences under the Act are compoundable. The Bill reduces the amount for compounding. As per the Act, the minimum amount for compounding is Rs 10,000 or 50% of the tax involved (whichever is higher). The maximum amount is at least Rs 30,000 or 150% of the tax involved (whichever is higher). The Bill reduces the minimum amount to 25% of the tax value and the maximum amount to 100% of the tax value.
- **Time limits for furnishing certain details:** The Bill introduces a time limit of three years for registered persons to furnish: (i) details of outward supplies and (ii) returns/annual returns, for a specified period. The time limit will be calculated from the due date. However, the state government, at the recommendation of the GST Council, may allow the returns to be furnished after the expiry of the three-year period.
- **Manner of interest on delayed refunds to be prescribed:** Under the Act, the state government must settle tax refund within 60 days of receipt of application. The government is liable to pay interest at the rate of 6% on delayed refunds. The Bill provides that the manner of computation of interest on delayed refunds and any conditions or restrictions may be prescribed through Rules.
- **Removal of input tax credit for CSR activities:** The Bill adds that input tax credit cannot be availed for goods and services intended to be used for obligations relating to corporate social responsibility activities.

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