

Terms connected to Input tax credit (ITC)

October 27

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Definition of terms connected to Input Tax Credit provision given
under CGST Act, 2017

GST 2

Input Tax Credit

Following terms are defined under Sec.2 of CGST Act, 2017 which is essential to under the provision of input tax credit as given u/s 16(2) of the said Act.

1. **central tax** means the **tax levied** under CGST Act; [Sec.2(21)]
2. **State tax** means the tax levied under any SGST Act; [Sec.2(104)]
3. **integrated tax** means the IGST levied under the IGST Act; [Sec.2(58)]
4. **Union territory tax** means the UTGST levied under the UTGST Act; [Sec.2(115)]
5. **input** means any **goods** other than **capital goods** used or intended to be used by a supplier in the course or furtherance of business; [Sec.2(59)]
6. **goods** means every kind of movable property **excluding** money and securities but **includes** actionable claim, growing crops, grass and things attached to or forming part of the land **which are** agreed to be severed before supply or under a contract of supply; [Sec.2(52)]
7. **capital goods** means **goods**, the value of which is **capitalised** in the books of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business; [Sec.2(19)]
8. **input tax credit** means the **credit of input tax** [Sec. 2(63)]
9. **input tax** in relation to a registered person, means the **central tax (CGST), State tax (SGST), integrated tax (IGST) or Union territory tax (UTGST)** charged on any supply of goods or services or both made to him and **includes—**
 - (a) the IGST charged on **import of goods**;
 - (b) the tax payable under **RCM** u/s sub-sections (3) and (4) of section 9 of CGST Act,
 - (c) the tax payable under **RCM** u/s sub-sections (3) and (4) of section 5 of the IGST Act;

(d) the tax payable under **RCM** u/s sub-sections (3) and (4) of section 9 of the respective SGST Act; or

(e) the tax payable under **RCM** the provisions of sub-sections (3) and (4) of section 7 of the UTGST Act,

but **does not include** the tax paid under the **composition levy**;
[Sec.2(62)]

10. **services** means anything other than **goods**, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;

Explanation.— For the removal of doubts, it is hereby clarified that the expression—services includes facilitating or arranging transactions in securities; [Sec.2(102)]

11. **input service** means any service used or intended to be used by a supplier in the course or furtherance of business; [Sec.2(60)]

About

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