

Do PAN India service providers register in every state under GST?

Hello Everybody I am Shashwat Tulsian from R.Tulsian and Co.

The proposed GST Bill has created major challenges for Indian services sector having PAN India operations.

Under the old service tax regime, a service provider having operations in more than one state in India could opt to register under only one state. Thereby, he would be exempted from registering under every state individually. This scheme is called the Centralised registration Scheme.

However, under the proposed GST regime, such a scheme does not exist.

The GST council, which is responsible for GST policy formulation, did not accept the demand for single registration as states feared loss of revenues and excessive dependence on the centre for receiving taxes due to them.

This means that businesses operating in the pan India services space will need to obtain **more than 30 separate registrations and file nearly 2,000 returns annually**. Complying with different registrations and audits would be a massive and complex task.

Worst hit would be sectors such as Logistics, Information Technology, e-commerce telecom, banking, insurance, airlines, and others who undertake pan-India operations.

In this regard, a **common assessment proposal** has been suggested by the industry whereby a common pool of officers drawn from the centre and the states could carry out the assessment for certain service sectors thereby ensuring a single interface for these sectors.

However, As of **23rd March,2017**, the GST council has not given in to the demand of the industry to have a centralized registration scheme. If that changes, we would definitely share an update here.

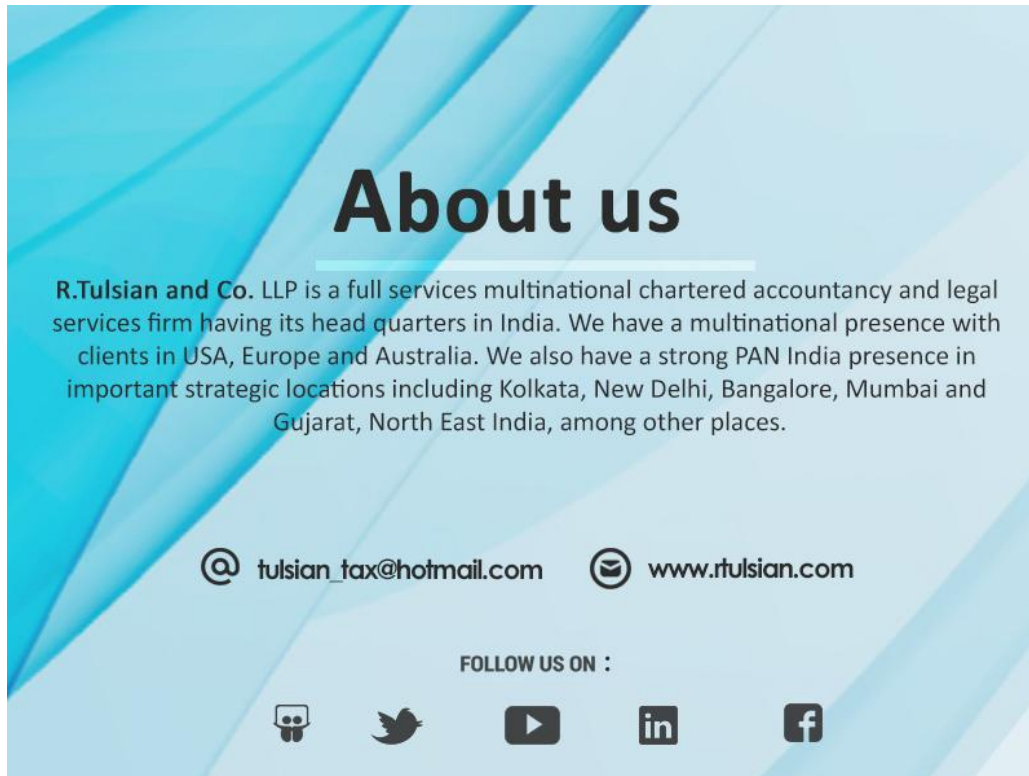
Next up- Would input service distributor scheme continue under GST? We are going to be talking about that in upcoming videos.

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