# Casual taxable person in GST

**Introduction:**

“Casual taxable person” means a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State or a Union territory where he has no fixed place of business.

A casual taxable person (other than those making supply of specified handicraft goods) making taxable supply in India has to compulsorily take registration. There is no threshold limit for registration. Casual Taxable persons making supply of specified handicraft goods need to register only if their aggregate turnover crosses Rs. 20 Lakh (Rs. 10 lakh for in case of Special Category States, other than the State of Jammu and Kashmir.). A casual taxable person cannot exercise the option to pay tax under composition levy. He has to apply for registration at least five days prior to commencing his business in India.

A casual taxable person has to make an advance deposit of tax in an amount equivalent to his estimated tax liability for the period for which the registration is sought.

**Registration:**

A casual taxable person has to apply for registration at least five days prior to the commencement of business. There is no special form to register as a casual taxable person. The normal **FORM GST REG-01** which is used by other taxable persons can be used for obtaining registration by casual taxable person also. A casual taxable person, before applying for registration, should declare his Permanent Account Number, mobile number, e-mail address, State or Union territory in Part A of **FORM GST REG-01**on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes. The mobile number declared shall be verified through a one-time password sent to the said mobile number; and the e-mail address shall be verified through a separate one-time password sent to the said e-mail address. On successful verification of the Permanent Account Number, mobile number and e-mail address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address.

Using this reference number generated, the applicant shall electronically submit an application in Part B of **FORM GST REG-01**, duly signed or verified through electronic verification code, along with the documents specified in the said Form at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

The applicant will be given a temporary reference number by the Common Portal for making the mandatory advance deposit of tax for an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought. The registration certificate shall be issued electronically only after the said deposit appears in his electronic cash ledger. The amount deposited shall be credited to the electronic cash ledger of casual taxable person. On depositing the amount, an acknowledgement shall be issued electronically to the applicant in **FORM**

**GST REG-02**.

The casual taxable person can make taxable supplies only after the issuance of the certificate of registration. The certificate of registration shall be valid for the period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier. In case the casual taxable person intends to extend the period of registration indicated in his application of registration, an application in **FORM GST REG-11**shall be submitted electronically through the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner, before the end of the validity of registration granted to him. The validity period of ninety days can be extended by a further period not exceeding ninety days. The extension will be allowed only on payment of the amount of an additional amount of tax equivalent to the estimated tax liability for the period for which the extension is sought.

**Returns:**

The casual taxable person is required to furnish the following returns electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

1. **FORM GSTR-1** giving the details of outward sup-

plies of goods or services to be filed on or before the tenth day of the following month.

1. **FORM GSTR-2**, giving the details of inward supplies to be filed after tenth but before the fifteenth day of the following month.
2. **FORM GSTR-3** to be filed after fifteenth day but before the twentieth day of the following month.
3. **FORM GSTR-3B** to be filed but before the twentieth day of the following month.

It may be mentioned that presently only **FORM GSTR-1** and **FORM GSTR-3B** is required to be filed.

**Refund by Casual taxable person:**

The casual taxable person is eligible for the refund of any balance of the advance tax deposited by him after adjusting his tax liability. The balance advance tax deposit can be refunded only after all the returns have been furnished, in respect of the entire period for which the certificate of registration was granted to him had remained in force. The refund relating to balance in the electronic cash ledger has to be made in serial no. 14 of the last **FORM GSTR-3** return required to be furnished by him (instead of **FORM GST RFD 01**).

### Casual Taxable Person under GST

#### **Introduction**

A **Casual Taxable Person (CTP)** under GST refers to an individual or entity that occasionally undertakes transactions involving the supply of goods or services or both in the course or furtherance of business in a State or Union Territory where they do not have a fixed place of business.

Such persons, except those supplying specified handicraft goods, are **mandatorily required to obtain GST registration** irrespective of their turnover. For those supplying notified handicraft goods, registration becomes necessary **only if the aggregate turnover exceeds ₹20 lakhs** (₹10 lakhs for Special Category States, excluding Jammu & Kashmir).

CTPs are **not eligible to opt for the Composition Scheme** and must apply for registration at least **five days prior to the commencement of business**. Additionally, they must **deposit advance tax** equal to their estimated liability for the period of operation.

#### **Registration Process**

* **Timeline**: Application must be submitted **at least five days prior** to the start of business.
* **Form Used**: Registration is to be applied via **FORM GST REG-01**, which is the standard form used by all taxpayers.
* **Initial Declaration (Part A)**: Includes PAN, mobile number, email ID, and State/UT. Verification is done via:
  + PAN validation with CBDT database
  + OTP to registered mobile number
  + OTP to registered email address
* **Application Submission (Part B)**: Post-verification, the applicant receives a **Temporary Reference Number (TRN)**, which is used to submit the complete application along with supporting documents.

**Advance Tax Payment**:  
Before the registration certificate is issued, the applicant must deposit **advance tax** equal to the estimated tax liability for the registration period. This is credited to their **electronic cash ledger**, and an acknowledgement in **FORM GST REG-02** is issued.

**Certificate Validity**:

The certificate is valid for the **period specified** or **90 days**, whichever is earlier. It can be **extended once** for another **90 days** by filing **FORM GST REG-11** before the expiry date, with an additional advance tax payment for the extended period.

#### **Returns to be Filed**

CTPs are required to file the following GST returns electronically via the GST portal:

* **FORM GSTR-1**: Outward supplies – Due by the **10th** of the following month
* **FORM GSTR-2**: Inward supplies – Between **10th and 15th** of the following month
* **FORM GSTR-3**: Monthly return – Between **15th and 20th** of the following month
* **FORM GSTR-3B**: Summary return – By the **20th** of the following month

**Note**: Currently, **only GSTR-1 and GSTR-3B** are required to be filed.

#### **Refund of Advance Tax**

A CTP is entitled to claim a **refund of any balance** advance tax remaining after offsetting the final tax liability. The refund is permitted only **after filing all mandatory returns** for the registration period.

Refunds should be claimed via **serial no. 14 of the final GSTR-3B** return, and **not through FORM GST RFD-01**.

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