NO. G. 17018/1/02-FEC **GOVERNMENT OF MIZORAM** FINANCE DEPARTMENT (Expenditure Control Branch)

Dated Aizawl, the 31st January, 2025

To.

All Administrative Departments/All Heads of Departments. Government of Mizoram.

Subject:

Realization of GST on Works executed departmentally without engaging

contractors.

Sir.

Please find enclosed clarification issued by Commissioner of State Taxes on the realization of GST for works executed departmentally for strict compliance please.

Sd/-VANLALDINA FANAI

Commissioner & Secretary to the Govt. of Mizoram Finance Department.

Dated Aizawl, the 31st January, 2025 Memo No. G. 17018/1/02 - FEC Copy to :-

- P.S. to Chief Minister of Mizoram. 1)
- P.S. to Adviser to Chief Minister (Finance) 2)
- Sr. P.P.S. to Chief Secretary, Govt. of Mizoram 3)
- Accountant General, Mizoram. 4)
- All Joint Director(Accounts)/Dy. Director(Accounts)/FAOs. 5)
- Guard File. 6)

(CHAWNGZIKPUII)

Under Secretary to the Govt. of Mizoram

Finance Department(EC)

NO.G.28042/145/2022-COMTAX/249 **GOVERNMENT OF MIZORAM** OFFICE OF THE COMMISSIONER OF STATE TAX **MIZORAM: AIZAWL**

Dated Aizawl, the 15th January, 2025

To,

The Under Secretary to the Govt. of Mizoram, Finance Department. (EC)

16/1/2×

Subject:

Furnishing clarification regarding realization of GST on Works executed departmentally

without reengaging contractors.

Ref.

No. G.17018/1/02-FEC

Dated 10.01.2025

Sir/Madam,

With reference to the subject cited above, I have the honour to inform you that in cases where the Departments execute the works themselves, the applicable taxes are paid directly on the purchase of various taxable goods and services at varying GST rates i.e. 5%, 12%, 18% and 28%. In cases where the department avails the services of works contractor, instead of paying taxes on various goods and services, the department simply pays a consolidated amount of 18% to the contractor for the composite supply of works contract service.

In both cases, the department bears the tax burden and GST is already included in the estimated costs as per the Schedule of Rates. Therefore, 18% of the estimated cost need not be deducted in the same manner as the contractor's profit when the Departments execute works without availing the services of Works Contractors.

Departments executing departmental works taxable under GST without availing the services of a works contractor should strictly ensure that the taxable goods and/or services required for the said works should be procured from registered GST taxpayers/dealers with proper tax invoice since the estimated amounts include GST and procurement from unregistered dealers lead to loss of tax revenue

Yours faithfully

Commissioner of State Tax

Mizoram: Aizawl