**FAQs on Goods & Services Tax**

**12.Returns Process and matching of Input Tax Credit**

**Q 1. What is the purpose of returns?**

Ans.

a) Mode for transfer of information to tax administration;

b) Compliance verification program of tax administration;

c) Finalization of the tax liabilities of the taxpayer within stipulated period of limitation; to declare tax liability for a given period;

d) Providing necessary inputs for taking policy decision;

e)Management of audit and anti-evasion programs of tax administration.

**Q 2. Who needs to file Return in GST regime?**

Ans. Every registered taxable person-who crosses the threshold limit for payment of taxes. A supplier needs to be registered when the aggregate turnover crosses Rs. Nine lacs but he becomes taxable person ONLY when he crosses Rs. ten lacs. So he will be required to file returns when he crosses the threshold limit of Rs. ten lacs. There are some other class of persons who need to be registered and therefore will have to file returns like interstate suppliers, TDS deductors, e-commerce operators, suppliers supplying goods through e-commerce operators etc (reference Schedule-III and Question 6 of the Registration Chapter).

Source:http://cbec.gov.in/resources//htdocscbec/deptt\_offcr/faqongst.pdf;jsessionid=825C7C194F0FC0652FFE5A809FE81F69

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