**FAQs on Goods & Services Tax**

**10. Input Tax Credit**

**Q 7. What is the eligibility of input tax credit on inputs in stock for a person who obtains voluntary registration?**

Ans. As per section 16(2A) of MGL, the person who obtains voluntary registration is entitled to take the input tax credit of input tax on inputs in stock, inputs in semi finished goods and finished goods in stock, held on the day immediately preceding the date of registration.

**Q 8. Where goods and/or services received by a taxable person are used for effecting both taxable and non-taxable supplies, whether the input tax credit is available to the registered taxable person?**

Ans. As per section 16(6) of MGL, the input tax credit of goods and / or service attributable to only taxable supplies can be taken by registered taxable person. The amount of eligible credit would be calculated in a manner to be prescribed in terms of section 16(7) of the MGL read with GST ITC Rules (yet to be issued). It is important to note that credit on capital goods also would now be permitted on proportionate basis.

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

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