

What role will the agent have in GST on the income received from commissions?

If you earn commission income as part of your business activities, it's important to know that it's considered a supply of services under GST regulations. This means that GST is applicable to such income. The rate of GST on commission income can vary depending on the specific service provided, as determined by government notifications.

Here's what you need to do if you earn commission income:

1. Register under GST: If your turnover exceeds the threshold limit specified in Section 22 of the CGST Act, 2017 (which is Rs. 20 lakhs for services, or Rs. 10 lakhs for special category states), you must register under GST.

2. Charge GST: Once registered, you need to charge GST on the commission income at the applicable rate. This means you'll include GST in the invoices you issue to your clients or customers, as required by Section 31 of the CGST Act, 2017.

3. File Returns: As a registered taxpayer, you are obligated to file periodic GST returns and remit the collected GST to the government. This ensures compliance with the provisions outlined in the CGST Act.

By adhering to these steps, you can ensure that you're fulfilling your GST obligations related to commission income, thereby maintaining compliance with the law.