

Top GST Mistakes Committed by Entrepreneurs

Small enterprises attempt to manage **book keeping** tasks on their own however it proves to be an exercise in futility. For instance, lack of clarity about taxes has resulted in major issues for the business owners. Devoid of tax knowledge, the entrepreneurs commit fatal errors in account books causing imbalance in asset and liability statements. Some of the GST mistakes that should be avoided are as follows:

Tax invoices should be furnished by the entrepreneurs if they are seeking tax rebate from the government authorities. A **book keeper** is required to maintain all records and ensure their verification and validation because in case of absence of tax invoice, entrepreneurs should file an application for exemption.

Different items and services lie outside the ambit of GST; therefore one cannot claim tax relief on those products. Many entrepreneurs prepare faulty account books based on the above mentioned premises and are stranded with erroneous financial statements at the end of the year. To correct the mistakes, they have to incur significant amount of expenditure and waste precious resources.

A **professional book keeper** is aware of the rules that the bank do not charge GST for their services. Business would not be able to claim exemption on the credit card fees however amateurs do not have detailed information about the tax rebate and commit clerical errors while creating the account statements.

The major error committed by business entities is the claim of GST exemption for wages and superannuation payments. They use taxes rebate that reflects in the profit and loss account but the ensuing discrepancies are reflected in the balance sheet.

If the company deploys luxury vehicles in its fleet, they would be exempted from GST up to a certain limit. It is important to hire the specialists because they have prior information about the tax updates. The limit is changed on a regular basis; therefore one should make sure that exact rates are determined.

If the business assets such as equipments are being sold, they would fall under the ambit of GST. Organizations purchasing the real estate assets for business expansion incur input tax charges; therefore they are not entitled to GST exemption from the government.

Business entities conduction operations with the assistance of government grants, should mention the facts in account books because the transaction is subjected to GST.

Stamp duty of the insurance is not included in GST; hence you are not entitled to claim the requisite exemption. You can file tax rebate on entertainment expenses but the upper limit is 50% and not 100%.

These are just a few examples of how bookkeep can better assist you and your business by understanding the GST requirements of your business.