

**GST FREQUENTLY ASKED ISSUES**

**ITEM 2:**

**Claiming input tax on business expenses billed to employees**

*Below are expenses usually billed to employees and not to the businesses, can the businesses claim the input tax and how?*

- a) Car park and other travelling expenses incurred while visiting customers or on working trips;*
  - b) Mobile phone bill expenses for making business calls on a line registered in their own name;*
  - c) Entertainment meals with existing customers;*
  - d) Hotel accommodation while on outstation business trip*
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- i) A registered person claiming input tax must hold a valid document (tax invoice) under his name which is required to be provided under section 33 GSTA (Goods and Service Tax Act 2014) (refer section 33 GSTA and reg.38(1)(a)(i) GSTR)
  - ii) Invoice under employees name cannot be used for claiming input tax EXCEPT for mobile phone bill expenses used for business purpose
  - iii) A registered person can use the mobile phone invoice billed to his employee for claiming input tax as long as the expenses are reimbursed and accounted as business expenses.