

Taxpayers fret over GST deadline relief

Contrary filing timelines vex MSMEs

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The relaxation in GST compliance timelines has left taxpayers puzzled as no extension has been granted beyond the May 20 due date for filing the GSTR-3B and remitting taxes, while the date for filing GSTR-1 required to claim input tax credits has been extended to May 26.

Tax advisors said small and medium enterprises were likely to feel the pinch from this move since they may not be able to claim their complete input tax credits and could end up paying more tax.

'Correctly compute ITC'
"Ideally, the due date for filing GSTR-3B should have been extended to a date after the due date of GSTR-1 enabling the recipient taxpayer to correctly compute and avail eligible input tax credit (ITC) while filing their GSTR-3B," said Saloni Roy, senior director at Deloitte India.

While this was unlikely to be a significant issue for large firms, it could pose liquidity issues for some small and medium enterprises, remarked Abhishek A. Rastogi, partner at Khaitan & Co. "It's still not too late and perhaps, the government may extend the GSTR-3B deadline as well, or further relax interest applicability beyond 15 days for all categories," he said.

Accountants are advising clients not to delay their GSTR-3B filings.

"As far as GSTR-3B is concerned, there is no extension but there is a waiver of late fees by 15 days for taxpayers with turnover exceeding ₹5 crore and by 30 days for other taxpayers,"



Taxpayers should deposit the GST liability for April by May 20 to avoid interest liability

SIDDHARTH SURANA
RSM India

said Siddharth Surana, advisor - strategy and business transformation at RSM India, a tax consulting and audit services provider.

'Minor relief'

"Taxpayers should deposit the GST liability for April by May 20 to avoid interest liability. There is no waiver of interest in case of delay in payment of tax, though the interest rate has been reduced," Mr. Surana underlined, terming the measures as 'minor procedural relief'.

In view of the second wave of the pandemic, on May 1, the government had notified some changes in the GST compliance norms as relief measures for industry, including more time to file some returns, waiving penalties for 15-30 days and reducing the interest on delayed tax payments in a graded manner.

During the national lockdown last year, the government had provided a GSTR-3B compliance extension for May 2020, but this year, extension has been provided only for GSTR-1, Ms. Roy observed.