

Fee on delayed GST return filing takes taxpayers by surprise

GST portal clarifies that submission of returns is not equivalent to filing

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Every person who has registered for GST has to file the return GSTR-3B. The Central Board of Excise and Customs (CBEC) had introduced GSTR-3B for July to December 2017, allowing assesseees to provisionally calculate and pay the tax liability for each month.

While preparing GSTR-3B return for the month of September which is due on October 20, some tax payers observed that late fee was being charged. Many complaints were raised on the levy of late fee despite the

fact that the returns were submitted on time.

"There is still a lot of confusion amongst assesseees who equate submission to filing," said Archit Gupta, CEO of Clear Tax. He said clicking the 'Submit' button on the GST portal freezes the data, however it does not officially tantamount to filing the return. "Return is actually filed only when you click 'File' and enter the OTP sent to your mobile. Some businesses have missed this step".

In this respect, the GST portal came up with a clarification that the late fee charged in the September return is actually a carry forward. And that it is the late fee that was unpaid for the month of August.

In other words, the late fee charged in the return for September is for the days



between date of submission and date of filing of August's return. Assesseees were charged ₹200 for each day of delay.

For instance, if the return for the month of August is submitted on September 22, instead of paying on September 20, the late fee will be ₹400 (₹200*2

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days of delay). This would have been already accounted for while setting off the liability for the month of August.

And if the tax payer did not file the return on the last date of submission and delayed it till September 26, the tax payer is liable to pay late fee for the days delayed till September 26. But,

as the assessee had already paid the late fee till September 22 while submitting August's return, he will be charged incrementally for the four days of delay in the return of September (₹800).

More than tax amount

"In many cases, late fee charges were more than the tax amount," said Rajan Raichura, a practising chartered accountant and founder of Dr GST platform on the social media. He said the assesseees with nil return were also subjected to late fee which is disappointing. "At the least, the late fee should be limited to tax amount," he said. However, Archit had another viewpoint. He said that if late fees are not levied, assesseees may delay or even not file the returns.