

# GST and JOHNNY- UPDATE No.77

JOHNNY  
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Yes, Papa!



Have you calculated interest liability due to notice received from department?



No, Papa



Why?



Many of the registered persons are receiving notices to pay interest on GROSS liability for delay in filing of GSTR 3B returns in case of failure to pay so the department may initiate recovery proceedings under sec 79, because of which there is as huge confusion among the registered tax payers regarding calculation of interest.

However, after many courts pronounced in favour of assessee and GST council decided to make retrospective amendment in section 50 for interest on delay payment to be charged on net cash liability, the department began issuing notices for net cash liability.

Taxpayer is already burdened with the huge compliances under GST. The assessee is required to file countless returns, statements and reply to the notices received from department.

The GST department seems much eager to send notices to the taxpayers for collection of the interest amount u/s 50, 16(4) and rule 36(4) of the CGST Act, 2017 for delayed payment of GST, or excess claim of ITC, but does not look upon its own flaw where it does not provide the calculation of interest while late filing the return. Interest Calculation on Net basis should be automatic and pop up must arise at the time of filing of 3B after due date.

Moreover, the notices received also calculate interest on the late fees paid in cash by the taxpayer. The taxpayer has to re calculate all the liability from the scratch due to silly flaws in notice only.

Minute changes in the GST portal will make it more competitive and the assessee will also be able to save sufficient to comply with other requirements in GST