

# GST and JOHNNY- UPDATE No.59

JOHNNY  
JOHNNY!!



Yes, Papa!



Do you find any issues in  
GSTR-3B return?



Yes, Papa



What  
issues?



**This papa:-** Taxpayers, who don't pay their taxes on time before or on the decided due date by government are liable to pay late fees and interest @ 18 percent per annum as per section 50(1) of the Act. The interest is calculated from the due date till the date of filing GSTR 3B return.

But while filing the GSTR -3B return, the taxpayers face multiple problems while making payment and thereafter utilising the amount paid in interest head.

Let's understand this with the help of an example-While filing the GSTR-3B return for the month of Feb 2020, the net tax liability is as follows (after utilisation of input tax credit for the current month and utilising the balance of credit from the electronic credit ledger)

CGST Rs.20000, SGST Rs.10000 and IGST Rs.8000 where the return is filed after the due date for say delay of 5 days and the interest liability comes to Rs. 50 under the head CGST and Rs.25 under the head SGST and Rs.20 under the head IGST. However while filing the GSTR 3B, the taxpayer has to manually fill the amount of interest payable in table 5.1- Interest and Late Fee. While feeding the figures of interest in CGST, the portal automatically displays the same value in SGST ledger. Eg the taxpayer is liable to pay Rs.50 interest under the head CGST but the portal calculates automatically Rs.50 under the head SGST interest too, whereas the liability under the head SGST is only Rs.25.

So, a taxpayer has to pay the minimum amount of Rs.25 through GSTR-3B and the balance Rs.25 under the head CGST interest is discharged vide filing DRC-03 which consumes a lot of time of the innocent taxpayer. Moreover, without tracking DRC 03, the department issues notice of short payment of interest in CGST ledger.

The other option with the taxpayer is that the IGST credit should be utilised in such an order that the balance payment to be made in cash in CGST and SGST remains equal. This way the interest amount would be same in both heads.

*The taxpayer has to follow such cumbersome procedure just to pay his liabilities while complying with the provisions of the GST act.*

*A user friendly and manageable portal is required instead of a clumsy and complicated one.*