

GST UPDATE ON OPTIONAL FILING OF ANNUAL RETURN FOR SMALL TAX PAYERS

The Board has relaxed the small taxpayers having an annual aggregate turnover upto Rs. 2 crores by giving them the option to file annual return GSTR-9 for the periods 2017-18 and 2019-20 vide notification No. 47/2019 dt 09-10-2019. Circular has been issued on 22nd November 2019 giving further clarification on optional filing of Annual return by small tax payers.

In this circular, *“As per sub-rule (1) of rule 80 of the CGST Rules, every registered person other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return as specified under sub-section (1) of section 44 electronically in FORM GSTR-9. Further, the said notification has made it optional to furnish the annual return for FY 2017-18 and 2018-19 for those registered persons whose aggregate turnover in a financial year does not exceed two crore rupees. Accordingly, it is clarified that the tax payers, may, at their own option file FORM GSTR-9 for the said financial years before the due date. **After the due date of furnishing the annual return for the year 2017-18 and 2018-19, the common portal shall not permit furnishing of FORM GSTR-9 for the said period.”***

From the above highlighted portion, it can be interpreted as, the data which is being auto populated in the annual return from the returns GSTR-1 and GSTR-3B shall be deemed to be correct. Further the small tax payers cannot file the return after the due date for furnishing the Annual return.

But the circular further clarifies that voluntary payment of tax dues can be made by taxpayers as per section 73 of the CGST Act irrespective of the time

and quantum of tax which has not been paid or short paid or excess credit claimed. As the taxpayer has the liberty to self ascertain the tax amount during the course of reconciliation of accounts. The tax payer can pay the liability through DRC-03.

This is very absurd position that the taxpayer has been given option either to file the return or not to file it. A circular is also issued that if you do not file the return then any outstanding amount is remaining then the liability of interest and penalty will arise. So, better you file it now otherwise portal will not allow it to file it later. It is very impractical position. Though the relaxation is given and at the same time, it is being instructed that you should file the return. Hence, it seems that the relaxation is of no use.