

Govt releases draft of new, simpler GST return forms

The new tax return forms are likely to be notified for use starting 1 January 2019

Remya Nair
remya.n@livemint.com
NEW DELHI

The government on Monday released the draft of the goods and services tax (GST) return forms as it looks to make the return filing process simpler for taxpayers.

Taxpayers, who are seeking clarity in the tax filing regime, have been eagerly awaiting the tax return forms. The GST return forms are also crucial for tax authorities as they look to verify input tax credit claims and shore up tax revenues.

The new tax return forms are likely to be notified for use starting 1 January 2019, though there may be a trial period in December. These return forms replace the complicated tax return system initially envisaged that required the filing of multiple forms adding to the compliance burden of both small and big taxpayers.

Taxpayers will have to file a single return form monthly, which will be due for every month on the 20th of the next month. The return filing dates for taxpayers will be staggered based on the turnover of 2017-18 to ensure that the GST Network is not overburdened closer to the due date. Taxpayers who have no purchases, no output tax liability and no input tax credit to avail of in



Being taxpayer-friendly

Why is it being introduced?

It seeks to reduce the compliance burden for taxpayers and replaces the previous return filing regime requiring filing of multiple tax return forms with a single return form

When will it come into effect?

The new tax return forms are likely to come into effect from 1 January 2019

What are the main highlights?

► Tax return forms to be filed monthly by 20th of the following month

► Staggered return filing schedule proposed

► Quarterly tax return filing for small taxpayers with turnover up to ₹5 crore

► Suppliers to upload invoices that can be reviewed by the buyer

► Option to amend the returns

PHOTOGRAPH BY PRADEEP GAUR/MINT; GRAPHIC BY AJAY NEGI/MINT

any quarter of the financial year can file one nil return for the entire quarter.

As decided by the GST Council, taxpayers having a turnover of up to ₹5 crore in the preceding financial year can file a quarterly tax return though tax payments have to be done monthly. This will significantly reduce the compliance burden for small taxpayers.

There will be a facility for continuous uploading of invoices by the supplier any time during the month and this invoice will be continuously visible to the recipient. Only

an uploaded invoice would be a valid document for availing input tax credit. In case no invoice is flagged, invoices will be deemed to be accepted by the buyer.

There is a process of reconciliation between the buyer and supplier and taxpayers will need to do credit matching to avail input tax credit.

Invoices uploaded by the supplier by 10th of the next month will be auto-populated in the return of the supplier. This can also be viewed by the buyer.

However, in case an invoice has

been uploaded but the return has not been filed, it will be treated as self-admitted liability by the supplier and proceedings will be initiated against him.

Archit Gupta, founder and chief executive officer of ClearTax, a tax and compliance software provider, said that since the monthly GSTR will be due on the 20th of next month, it will give taxpayers time to review invoices uploaded by sellers.

“Since mismatch in invoices will cause credit blockage, taxpayers will choose to continuously review. While an offline tool for matching invoices has been proposed, taxpayers will need robust reconciliation and superior matching to continuously keep track of invoices uploaded and resolve situations of missing invoices. Credit blockages may be costly and impact working capital needs,” he said.

Taxpayers have also been given an option for filing amended returns. Taxpayers can file two amendment returns for each tax period. Further, taxpayers can make payment through the amendment return saving on interest liability. However, invoices once uploaded by the seller and then locked by the buyer cannot be changed.

Also, ineligible input tax credit has to be filed in the annual returns only and not in the monthly returns.