

Issue of GST late fee for the past period (August 2017 to January 2020) to be discussed in the next GST Council meeting

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In the recent past, tweets have been noticed by the Government on the issue of waiver of late fee applicable on non-filing of GSTR 3B returns. The demands are largely for the waiver of late fee for the returns which were required to be filed from the beginning of Goods & Services Tax (GST) i.e. August, 2017.

It may be noted that for helping the small businesses having turnover less than Rs 5 crore in the current situation arising out of COVID-19, Finance Minister Smt. Nirmala Sitharaman had already announced extension of GST returns of February, March, April and May 2020 till June 2020. No late fee will be charged for this period.

The current requests for waiver of late fee pertains to the old period (August 2017 to January 2020). It may be appreciated that the late fee is imposed to ensure that the taxpayers file return in time and pay taxes on the amount collected from buyers and due to the Government. This is a step to ensure that a certain discipline is maintained regarding compliance. Honest and compliant taxpayers would be discriminated negatively in the absence of such a provision.

In GST, all decisions are taken by the Centre and the State with the approval of the GST Council. It would not be possible or desirable for the Central Government to unilaterally take a view on this issue and therefore, the trade is informed that the issue of late fee would be taken up for discussion in the next GST Council meeting.