

Defaulters on GST filing cannot raise e-way bills

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NEW DELHI: Goods and Services Tax Network (GSTN), the company that processes GST returns, has said the provision for blocking generation of electronic goods transportation permits or e-way bills by businesses that default on their return filing requirement has been reactivated.

GSTN, in a statement, said the feature was suspended by the government at the peak of the coronavirus pandemic. Rules provide for restricting a person, who has not filed his monthly or quarterly tax returns for two consecutive tax periods, from generating e-way bills.

"The blocking of e-way bill (EWB) generation facility has now resumed on the EWB portal for all the taxpayers. Going forward, from the tax period August, 2021 onwards, the system will periodically check the status of returns filed in form GSTR-3B or the statements filed in form GST CMP-08 as per the regular procedure followed before pandemic, and block the generation of EWBs as per rule," GSTN said.

Form 3B is to be filed by assesseees who have to file monthly returns and CMP-08 is to be filed by small businesses who have to file returns every quarter.

"To avail EWB generation facility on EWB portal on continuous basis, you are, therefore, advised to file your pending GSTR 3B returns/CMP-08 statement on regular basis," GSTN stated.

The move comes after the central government last month put in place certain restrictions on non-filers of GST returns. As a result, effective 1 January 2022, an assessee will not be able to file sales return forms in GSTR-1 if they have not filed the transaction summary returns in GSTR-3B for 'the preceding month.' Earlier, this restriction applied only when GSTR-3B was not filed for preceding two months. The restrictions are meant to step up tax compliance.

GSTR-3B is an important return to be filed as taxes are to be paid along with it or before its filing. Vendors not filing GSTR 3B return has been a pain for businesses sourcing raw materials from them as without this, the buyer would face difficulties in claiming credit for taxes paid while buying these material.