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COVID RELIEF NOTIFICATIONS ON INTEREST AND LATE FEE

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In line with the decisions taken in the 43rd GST Council meeting held on 28.05.2021, several notifications have been issued under GST, providing for various reliefs in terms of late fee, interest, etc. The details of such notifications are explained below. After reading the below, if you feel that dealing with COVID is better than dealing with and understanding these notifications, it is not the fault of these notifications, but of Covid , being utterly simple

Notification 16/2021 Central Tax Dt. 01.06.2021

In the Budget 2021, a proviso was added in Section 50 of the CGST Act to the effect that the interest liability would be only on the net tax liability, after adjusting the ITC. This proviso was added with retrospective effect from 01.07.2017. After receiving Presidential assent for the Finance Bill 2021, this proviso has become part of the CGST Act. As similar amendment has to be made in all SGST Acts, the above amendment was not notified to take effect. Now, by the above notification the said proviso has been made effective from 01.06.2021. Any interest demands on gross tax liability would now stand restricted only to the net tax liability. It is clarified that the position that interest is payable only on net liability would be applicable from 01.07.2017.

Notification 17/2021 Central Tax Dt. 01.06.2021

Notification 83/2020 C.T. Dt. 10.11.2020 has prescribed the due date for filing GSTR 1, as the 11th day of the succeeding month.

Vide Notification 12/2021 C.T. Dt. 01.05.2021, the due date for filing GSTR 1 return for the month of April 2021 has been extended upto 26th day of the succeeding month, i.e. 26.05.2021.

Now, the words "May 2021" has also been added in the proviso and hence the due date for filing GSTR1 for the month of May 2021 shall be 26th of the succeeding month, i.e 26 th June 2021.

Notification 18/2021 Central Tax Dt. 01.06.2021

Notification 13/2017 C.T. Dt. 28.06.2017 prescribes the interest rate for different circumstances.

Certain relaxation in the interest liability for the tax payable for the months of February 2020, March 2020 and April 2020 was granted vide Notification 31/2020 C.T. Dt. 3.4.2020. Later it was extended for the months of May 2020, June 2020 and July 2020 vide Notification 51/2020 C.T. Dt. 24.06.2020. Subsequently vide Notification 8/2021 C.T. Dt. 01.05.2021 waiver / reduction in interest liability has been granted for different types of tax payers for the tax liabilities pertaining to the months of March 2021 and April 2021. Now this waiver / reduction of interest liability is extended for May 2021 also. The position as of now is as below.

S.No.	Category of taxpayers	Facility available for the period of	Quantum of interest waiver / reduction
1	Taxpayers having aggregate turnover of more than Rs. 5 crore in the preceding financial year	March 2021, April 2021 and May 2021	Interest payable @ 9 % p.a. (instead of 18%) for the first 15 days delay from due date (revised due date) and thereafter 18 % p.a.
2	Taxpayers having aggregate turnover of less than Rs. 5 crore in the preceding financial year - who opted to file monthly returns	March 2021	No interest for first 15 days delay; 9 % interest for the next 45 days; and 18 % interest thereafter
		April 2021	No interest for first 15 days delay; 9 % interest for the next 30 days; and 18 % interest thereafter
		May 2021	No interest for first 15 days delay; 9 % interest for the next 15 days; and 18 % interest thereafter

S.No	Category of taxpayers	Facility available for the period of	Quantum of interest waiver / reduction
3	Taxpayers having aggregate turnover of less than Rs. 5 crore in the preceding financial year - who opted to file quarterly returns	March 2021	No interest for first 15 days delay; 9 % interest for the next 45 days; and 18 % interest thereafter
		April 2021	No interest for first 15 days delay; 9 % interest for the next 30 days; and 18 % interest thereafter
		May 2021	No interest for first 15 days delay; 9 % interest for the next 15 days; and 18 % interest thereafter
4	Composition taxpayers	Quarter ending March 2021	No interest for first 15 days delay; 9 % interest for the next 45 days (as against 15 days prescribed earlier); and 18 % interest thereafter

Notification 2/2021 Integrated Tax Dt. 01.06.2021

The following reduction in interest liability under IGST has now been granted.

S.No.	Category of taxpayers	Facility available for the period of	Quantum of interest waiver / reduction
1	Taxpayers having aggregate turnover of more than Rs. 5 crore in the preceding financial year	March 2021, April 2021 and May 2021	Interest payable @ 9 % p.a. (instead of 18%) for the first 15 days delay from due date (revised due date) and thereafter 18 % p.a.
2	Taxpayers having aggregate turnover of less than Rs. 5 crore in the preceding financial year - who opted to file monthly returns	March 2021	No interest for first 15 days delay; 9 % interest for the next 45 days; and 18 % interest thereafter
		April 2021	No interest for first 15 days delay; 9 % interest for the next 30 days; and 18 % interest thereafter
		May 2021	No interest for first 15 days delay; 9 % interest for the next 15 days; and 18 % interest thereafter

S.No.	Category of taxpayers	Facility available for the period of	Quantum of interest waiver / reduction
3	Taxpayers having aggregate turnover of less than Rs. 5 crore in the preceding financial year - who opted to file quarterly returns	March 2021	No interest for first 15 days delay; 9 % interest for the next 45 days; and 18 % interest thereafter
		April 2021	No interest for first 15 days delay; 9 % interest for the next 30 days; and 18 % interest thereafter
		May 2021	No interest for first 15 days delay; 9 % interest for the next 15 days; and 18 % interest thereafter
4	Composition taxpayers	Quarter ending March 2021	No interest for first 15 days delay; 9 % interest for the next 45 days (as against 15 days prescribed earlier); and 18 % interest thereafter

Notification 19/2021 Central Tax Dt. 01.06.2021

Notification 76/2018 C.T. Dt. 31.12.2018 has granted partial waiver from the late fee payable for the delay in filing GSTR 3 B returns. Vide the above notification, relief from payment of Late fee for delay in filing GSTR 3B for the months of March 2021, April 2021 and May 2021 has been granted as below..

S.No.	Category of taxpayers	Facility available for the period of	Quantum of interest waiver / reduction
1	Taxpayers having aggregate turnover of more than Rs. 5 crore in the preceding financial year	March 2021, April 2021 and May 2021	For 15 days beyond the due date, no late fee.
2	Taxpayers having aggregate turnover of less than Rs. 5 crore in the preceding financial year - who opted to file monthly returns	March 2021	For 60 days beyond the due date, no late fee
		April 2021	For 45 days beyond the due date, no late fee.
		May 2021	For 30 days beyond the due date, no late fee.
3	Taxpayers having aggregate turnover of less than Rs. 5 crore in the preceding financial year - who opted to file quarterly returns	Jan to Mar 2021	For 60 days beyond the due date, no late fee.

In addition, the following waiver from late fee is also granted.

- (a) Any person who has not filed his GSTR 3 B return for any tax period during July 2017 to April 2021, if they file the returns between 01.06.2021 to 31.08.2021, the late fee shall be limited to Rs.500 per return (another Rs.500 under SGST).
- (b) If the tax liability for the above period, for which they have not filed GSTR3B earlier and now filing is NIL, then the late fee shall be further reduced to Rs.250 per return (another Rs.250 under SGST).
- (c) The late fee payable for the delay in filing GSTR 3B for June 2021 onwards or quarterly returns from the quarter ending June 2021 onwards shall be reduced as below.

S.No.	Category of taxpayers	Reduced Late Fee
1	Taxpayers, where the tax payable for the tax period is NIL	Rs.250
2	Taxpayers having an aggregate turnover of below Rs.1.5 Crores in the preceding financial year (other than those covered under 1 above)	Rs.1,000
3	Taxpayers having an aggregate turnover of above Rs.1.5 Crores but below Rs.5 crores in the preceding financial year (other than those covered under 1 above)	Rs.2,500

Since nothing has been mentioned about those taxpayers, whose aggregate turnover is more than Rs. 5 crores, the late fee for them shall be Rs.25 per day of delay per return, subject to the maximum amount specified under Section 47 (Rs.5,000). It may be noted that similar late fee under SGST would also apply in all the above cases.

Notification 20/2021 Central Tax Dt. 01.06.2021

Notification 4/2018 C.T. Dt. 23.01.2018 provides for waiver / reduction of Late fee for delayed filing of GSTR 1 return. Vide the above notification, the below concessions have been introduced for the delay in filing GSTR1 for the periods specified below.

Late fee waiver for delay in filing GSTR1 return for the month June 2021 onwards / or quarterly return for the Quarter ending June 2021 onwards.

S.No.	Category of taxpayers	Reduced Late Fee
1	Taxpayers, who do not have any taxable supplies in the tax period.	Rs.250
2	Taxpayers having an aggregate turnover of below Rs.1.5 Crores in the preceding financial year (other than those covered under 1 above)	Rs.1,000
3	Taxpayers having an aggregate turnover of above Rs.1.5 Crores but below Rs.5 crores in the preceding financial year (other than those covered under 1 above)	Rs.2,500

Since nothing has been mentioned about those taxpayers, whose aggregate turnover is more than Rs. 5 crores, the late fee for them shall be Rs.25 per day of delay per return, subject to the maximum amount specified under Section 47 (Rs.5,000). It may be noted that similar late fee under SGST would also apply in all the above cases.

Notification 21/2021 Central Tax Dt. 01.06.2021

Notification 73/2017 C.T. Dt. 29.12.2017 prescribes the late fee payable for delay in filing of GSTR 4 (Annual return by composition taxpayers).

Now, the late fee for delayed filing of GSTR 4 for any financial year from 2021-22 onwards is revised as below.

- (a) Rs.250 per return (another Rs.250 under SGST) if the tax payable for the period is NIL.
- (b) Rs.1000 per return in all other cases (another Rs.1000 under SGST).

Notification 22/2021 Central Tax Dt. 01.06.2021

Any person who is required to deduct tax under Section 51 shall file a return in form GSTR 7. The late fee payable for delay in filing this return is revised to Rs.25 per day subject to a maximum of Rs.1,000 (Equal amounts under SGST).

Notification 23/2021 Central Tax Dt. 01.06.2021

Notification 13/2020 C.T. Dt. 21.03.2020 prescribes the persons who are liable to generate E Invoice. Vide the above notification, exemption E invoicing is given for Government Departments and local authority.

Notification 24/2021 Central Tax Dt. 01.06.2021

Vide Notification 14/2021 C.T. Dt. 01.05.2021 wherever the time limit for any compliance falls between 15.04.2021 to 30.05.2021, the same was extended to 31.05.2021. Now this has been modified as wherever any time limit falls between 15.04.2021 to 29.06.2021 the same shall stand extended to 30.06.2021.

Vide the same notification, the time limit under Rule 9 (Verification for grant of registration) falls between 01.05.2021 to 31.05.2021, the same was extended to 15.06.2021. This has now been extended as, wherever the time limit falls between 01.05.2021 to 30.06.2021, the same shall be extended to 15.07.2021.

Similarly, wherever the time limit for issue of order in refund matters falls between 15.04.2021 to 30.05.2021, the same was extended upto 31.05.2021. The same has now been extended as, wherever the time limit falls between 15.04.2021 to 29.06.2021, the same shall be extended to 30.06.2021.

Notification 25/2021 Central Tax Dt. 01.06.2021

Notification 21/2019 C.T. Dt. 23.04.2019 prescribes the due date for filing annual return GSTR 4 returns by composition taxpayers. Vide Notification 10/2021 C.T. Dt. 01.05.2021 the due date for filing the said GSTR4 return for the financial year 2020-21 was extended to 31.05.2021. Now, this due date is further extended to 31.07.2021.

Notification 26/2021 Central Tax Dt. 01.06.2021

Vide Notification 11/2021 C.T. Dt. 01.05.2021 the time limit for filing the return GST ITC 4 (Job work movements) for the period January 2021 to March 2021 was extended upto 31.05.2021. Now this is further extended upto 30.06.2021.

Notification 27/2021 Central Tax Dt. 01.06.2021

Rule 26 of the CGST Rules, 2017 mandates usage of digital signatures by companies. This requirement is relaxed for the period from 27.04.2021 to 31.05.2021 and Electronic Verification Code was allowed to be used vide Notification 7/2021 C.T. Dt. 27.04.2021. Now this facility is extended upto 31.08.2021.

Further, as per Rule 36 (4) over and above the ITC reflected in GSTR 2A, additional 5 % can be availed. Now it has been provided that this requirement shall apply cumulatively for the period April 2021 to June 2021.

Those who opted for quarterly returns, can furnish the invoice details, by using the Invoice Furnishing Facility, from 1st day of the succeeding month to 13th day of succeeding month. Now it has been provided that for the month of May 2021, this facility can be used up to from 01.06.2021 to 28.06.2021.

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