GST relief to taxpayers with turnover up to Rs 5 crore

OUR BUREAU/ New Delhi

The GST (Goods and Services Tax) council, chaired by finance minister Nirmala Sitharaman, on Friday refrained from any changes in the tax rates but took measures for trade facilitation in the wake of the coronavirus pandemic to provide waiver of late fee and interest to the "small" taxpayers whose aggregate annual turnover is up to Rs 5 crore.

Sitharaman told reporters after the meeting that the small taxpayers will not be charged any interest till July 6 and thereafter 9% interest instead of 18% till September 30. They won't have to pay any late fee or interest if they file the returns for the supplies effect in May, June and July by September.

As a measure to clean up pendency in return filing, the late fee for not furnishing Form GSTR-3B for the period July 2017 to January 2020 has been waived if there is no tax liability and the maximum late fee is capped at Rs 500 per return if there is any tax liability.

The reduced late fee would apply to all returns furnished between July 1 and September 30.

"If there is need for borrowings to meet compensation to states, who is going to borrow. How we are going to pay for it...", she said about next meeting of the Council, hinting that fall in revenues has become big cause of concern for the Centre to meet its liability towards the states.