GSTN allows cash transfer between heads for taxpayers

FE BUREAU
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THE GOOD AND Services Tax Network (GSTN) on Tuesday said it has activated a new functionality in its system that will allow taxpayers to transfer cash available under one major head to another in the electronic cash ledger.

This has been a long-standing demand of taxpayers, who have said that errors while filing the return would often lead to cash being deposited in the wrong head, which could then be retrieved only through a cumbersome refund process. The situation created a cash flow problem for many small businesses.

“It helps with the intra-head or inter-head transfer of amount available in electronic cash ledger only. The major heads defined are CGST, SGST/UTGST, IGST and cess, whereas the minor heads defined in the law are tax, interest, late fee, penalty and others,” GSTN said in a statement.

GSTN added that a taxpayer can now transfer the amount available in an electronic cash ledger from one major head to another major head, keeping the minor head the same. Alternatively, one can move the amount from one minor head to another minor head, keeping the major head unchanged, it added.

“It has come as a major relief to taxpayers. For instance, if a taxpayers deposited some amount under the ‘cess’ head by mistake even though the assessed didn’t deal with any product involving cess, it would take months to get the money back,” Rajat Mohan, senior partner, AMRG & Associates said.