

# Small, medium businesses get relief on GST interest, late fee

Govt has waived late-fee charges for returns to be filed for transactions in March, April

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**T**he government has announced late-fee waiver on filing goods and services tax (GST) returns for March and April, besides reducing interest rates on late payments, according to orders issued by the finance ministry on Saturday. The move is expected to provide some relief to businesses, which are required to report monthly transactions and pay GST by the end of the following month.

The Centre, on the advice of the GST Council, has also given additional time till 31 May to the tax authorities for completing statutory proceedings, which would otherwise had to be settled between 15 April and 30 May. Taxpayers also get extra time to file relevant documents and appeals.

According to the Central Board of Indirect Taxes and Customs, businesses with up to ₹5 crore in sales will have no interest liability for late

payments for March and April, for 15 days after the due date. For the following fortnight, they will have to pay 9% annual interest, before the usual 18% rate kicks in. Small businesses filing quarterly or monthly returns will also get the same benefits for the two months.

The Centre has also waived late-fee charges for the monthly summary returns to be filed for transactions in March and April. While businesses with up to ₹5 crore in sales will get late-fee waiver for a month from the due date, larger businesses will have a 15-day window, according to the orders. States will also be issuing corresponding orders.

Late-fee waiver for small businesses, which file quarterly returns, but pay taxes every month, too have been given an additional 30-day window.

In view of the impact of the second wave, the government said tax authorities, commissions, tribunals and consultants will get additional time till 31 May to pass orders and issue notices, or grant sanctions and approvals. This will apply to certain processes such as for filing appeals under GST laws, and sending replies, reports, documents and records.

The finance ministry said on Sunday that the relief measures were offered "in view of the challenges faced by taxpayers in meeting the statutory and regu-

latory compliances under GST law due to the outbreak of the second wave of covid-19 pandemic".

With the unprecedented surge in covid cases, firms would have struggled to meet the GST compliance deadlines, said Abhishek Jain, tax partner, EY. This was a much-needed relief, he added.

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