

Unexpectedly high transitional input tax credit claims of Rs 65,000 crore by businesses is now a huge headache for the Govt

With the deadline for filing Goods and Services Tax (GST) returns for August coming to an end in less than 48 hours, only 8 lakh taxpayers have filed their GSTR-3B- a short summary return, at the end of Monday, said sources familiar with the development. The government expects tax returns from about 64 lakh tax payers for the month of August. The deadline for filing GSTR-3B will end on September 20.

GSTR-3B is a single page summary return form that is to be filled by all normal registered tax payers on self assessment basis. In the GSTR-3B, assessees need to furnish summary of information about sale and purchase, available input tax credit (ITC), tax payable and tax paid. The 3B tax return does not have to be filed by Input Service Distributor (ISD), a Non-Resident Person, Tax Collector at Source (TCS), Tax Deductor at Source (TDS) & Composition Dealers.

On Saturday, Sushil Kumar Modi, Deputy Chief Minister of Bihar, who is heading the newly-formed Group of Ministers to look into the glitches of the GST Network said that while 46 lakh taxpayers had filed their 3B returns for the month of July, for August, only 3.05 lakh GSTR-3B returns had been filed till Saturday. The total number of registrants under GST is 85 lakh, which includes about 23.18 lakh new taxpayers and 62.25 lakh taxpayers who have migrated from the earlier VAT, excise and service tax regime. About 11 lakh dealers have registered under the composition scheme, Modi had said.

"Already decided that first cycle of GSTR 1,2,3 will be given a long ropeâ€time for GSTR 1 is October 10, GSTR 2 will be October 31 and GSTR 3 will be November 10â€In the meantime we have extended the time for GSTR-3B for six months. So, for 6 months people have to file their self-assessed summary return by 20th of the next month and there is not going to be any extension of time as far as 3B is concerned," Revenue Secretary Hasmukh Adhia had said.

Sources said the issue pertaining to the unexpectedly high transitional input tax credit claims of Rs 65,000 crore by businesses has not been resolved because of the non-availability of data from GSTN. CBEC has written to chief commissioners directing them to verify every input tax credit claim of over Rs 1 crore. The verification by the tax department may include matching credit claimed with closing balance in returns filed under earlier laws and checking eligibility of credit under the GST regime. The report is expected on September 20.