

GST returns with new features to be launched next month

Good and Services Tax (GST) assesseees in the country, numbering 1.2 crore, will have an improved form to file returns from September. Besides, the GST portal's capacity to accept returns would be enhanced to a near double level.

A Group of States' Finance Ministers under the chairmanship of Bihar Deputy Chief Minister and Finance Minister Sushil Kumar Modi met through video conferencing and took stock of the progress made on improving returns filing and e invoicing beside other things.

The capacity to file returns on GST portal has been enhanced to 3 lakh while capacity of gateway will be 5 lakh at a point of time," Modi told *BusinessLine*. Talking about improvement in return filing mechanism, he informed that now there will be complete linkage of GSTR 1, GSTR 2B and GSTR 3B. While GSTR 1 denotes liability, GSTR 2A will help in knowing GSTR 1 filing date, filing status of GSTR 3B, amendment of invoices and date of cancellation of suppliers' registration. 2B, on the other hand, shows possible credit. GSTR 3B indicates actual tax payment. "This will put a complete check on liability mismatch and greater check on Input Tax Credit (ITC) mismatch," he said.

In the 39th meeting of the GST Council, held on March 14, Nandan Nilekani, on behalf of Infosys, made a presentation addressing the system-related issues that are being faced by the taxpayers in the GST system. He suggested that the process may be initiated by addressing the compliance-related issues first so that the problem of tax evasion and abuse of the system due to non-linking of FORM GSTR1 and FORM GSTR-3B is addressed immediately. Accordingly, 'Return Enhancement and Advancement (REAP)' was initiated with the help of 60 professionals from April 1 and the latest changes are result of that initiative.

Talking about e-invoices, Modi said that there are 48,000 assesseees based on GSTN number and 7,500 assesseees based on PAN have been recognised to be covered under e invoicing system. These assesseees are just 0.1 per cent of total taxpayer base but contribute nearly 45 per cent of total collection. The effort is to bring more and more assesseees under e-invoicing trough

reduction in threshold. He said mails are being sent to identified assesseees for implementation of e-invoicing from October 1.

New system

Under the new system, taxpayers will continue to use their own Accounting/Billing/Enterprise Resource Planning systems. However, invoices will not be reported to Invoice Registration Portal. This system is mainly for Business-to-Business (B2B) model. Modi said that more than 125 accounting and billing software providing entities have enrolled with GSTN. They have integrated and tested their software. Now changes, as proposed in the July 31 notification, will be incorporated by billing software agencies in next 4-6 weeks.

Source: Business line