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News

India**India Grants Extension for First Goods Tax Payments, Forms**

By Siri Bulusu

The Indian government granted a five-day extension to the first goods and services tax payment deadline, one day before the original deadline.

The Central Board of Excise and Customs announced Aug. 19 that the original deadline of Aug. 20 for GST payments would be extended to Aug. 25 due to requests from taxpayers, technical issues, and unexpected flooding during the monsoon

season.

The new deadline for the transitional credit form is Aug. 28, 2017, while taxpayers not availing any credits will have to file form GSTR 3B by Aug. 25, 2017.

"The taxpayers and tax practitioners have requested for few more days to file their Return," the Aug. 19 CBEC release stated.

The CBEC announced the extension on Twitter on August 19 where dozens of followers commented that the return filing website was crashing and not loading.

Practitioners said the extension is a move to deflect blame for a lack of government preparedness.

"The government is saying the taxpayers are not ready, but on [Aug. 20] the website was not working over the weekend indicating that their IT infrastructure is not up to the mark," Vispi T. Patel, head of Mumbai-based accounting firm Vispi T. Patel & Associates, told Bloomberg BNA Aug. 21.

Patel said taxpayers are likely also struggling to adjust to the new return filing system, but that the government is not providing enough time for those genuine issues taxpayers are facing.

"I'm not sure why the government delayed by five days when it should have been delayed by 10 working days—people want to comply, so give them time to comply," Patel said.

Looking Ahead

The last-minute decision to postpone the date has practitioners wondering how the next round of return filings will be handled, since it will involve a more complicated filing process.

"Basically the systems are not ready to take on the load, and this is only the summary return—they've not tested the system for the invoice level reporting that is due in September," Santosh Sonar, executive director of indirect tax and BSR & Affiliates, told Bloomberg BNA Aug. 21.

Sonar said the government has "attributed this problem to the taxpayer while not accepting that the government system is not working" which is worrying to his clients who are preparing for the next round of invoice-level returns that are due in September.

The current filing dates for the GST return forms for the month of July are:

- GSTR 3B — Aug. 25, 2017
- GSTR 1 — Sept. 1-5, 2017
- GSTR 2 — Sept. 6-10, 2017
- GSTR 3 — Sept. 11-15, 2017

Snapshot

- First round of GST forms postponed to Aug. 25 for summary returns, Aug. 28 for transition of input tax credits
- Practitioners say government deflecting blame by citing taxpayer representations

To contact the reporter on this story: Siri Bulusu at correspondents@bna.com

To contact the editor responsible for this story: Penny Sukhraj at psukhraj@bna.com

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