

NEW PROVISION FROM JAN 1

GST officials to make surprise recovery visits

This move when tax liability doesn't match with reported transactions

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Come January and the government is empowered to send its recovery officials to your premises to collect GST without notice, if your tax liability shown in the requisite form is less than what invoices, mentioned in the outward supply form, should draw.

The relevant provision in the Finance Act, 2021, will come into effect from January 1, 2022, according to a gazette notification on Tuesday.

Under the GST system, there are two kinds of returns that a company is required to file monthly if its turnover is over ₹5 crore annually. These are from GSTR-1 and GSTR-3B.

The former is a return that shows invoices of its sales and the latter is for declaring summary GST liabilities. While GSTR-1 is to be filed by the 11th of the following month of the transactions, GSTR-3B is to be filed by the 20th of the next month. Those with an annual turnover of up to ₹5 crore can file quarterly returns, if they choose so.

Now, if someone has reported invoices of ₹1 crore in GSTR-1 but showed taxes on only ₹1 lakh of sales in GSTR-3B, the government from January will be empowered to send officials to his/her business premises to recover GST on ₹99 lakh of sales. In this case, the government is not required to give notice.