

# TAX INFO

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Latest update on GST Law: Information regarding **The new functionality of interest calculator is being released in GSTR-3B on the GST Portal shortly.**

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**For self-assessment, the new functionality of interest calculator is being released in GSTR-3B.**

This functionality will assist taxpayers in calculating the interest applicable for delayed filing of returns. Taxpayers will have to verify and discharge the correct interest liability as per law, as payment of interest is a statutory compliance. Such interest liability in respect of supplies made during the present tax-period and declared in the GSTR-3B for this period will be calculated only on that portion of the tax which is paid by debiting the electronic cash ledger, i.e., tax paid in cash. With respect to the liability pertaining to the previous tax-period(s), and paid in later GSTR-3B, the interest will be computed for the entire liability, whether paid by debiting the electronic cash ledger or electronic credit ledger.

**Interest liability can arise in following situations:**

1. **Delayed filing of return:** If the present GSTR-3B is filed after the 'due date', then interest will be applicable at prescribed rate of interest from the 'due date' of GSTR-3B for relevant period i.e. till the date of filing of the return.
2. **Delayed declaration of liability:** If the liability pertaining to previous tax-periods is discharged in the present GSTR-3B, then interest will be leviable from the 'due date' of return for the said previous period till the date of declaration of the liability in the return.

Thus, as part of the interest calculator, a new feature has been provided to GSTR-3B for allowing taxpayers to voluntarily declare Tax-period wise break-up of liability. The return in FORM GSTR-3B, as it is now, allows taxpayers to discharge tax liability for previous tax-periods also, in addition to the tax liability for the present period. However, the tax-period wise break-up of the tax liability is not available in GSTR-3B. Thus, for computing the exact interest liability, the information regarding the tax-period wise break-up of the consolidated tax liability declared by the taxpayer would be required by the system. Therefore, a new button has been added in GSTR-3B, called Tax Liability Breakup (Voluntary), and data is to be entered by clicking this button only by those taxpayers who are making payment for liability pertaining to earlier tax-periods in the present GSTR3B. In cases where the present GSTR-3B consists of liability only for the present period, the taxpayers can ignore this button, and continue filing their return as usual.

This new functionality will compute the minimum interest applicable on the basis of the values declared by the taxpayers in GSTR-3B for a particular tax-period. This system computed interest will be auto-populated in Table-5.1 of GSTR-3B for the next tax-period, the way it is done for the Late fees at present. The system computed interest values auto-populated in next GSTR-3B return will be kept editable, initially.

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