

GOODS & SERVICES TAX / IDT UPDATE-150

Waiver of late fee for delay in filing Form GSTR-4 for FY 2021-22 for the period 1st May, 2022 to 30th June, 2022

The late fee payable for delay in furnishing of Form GSTR-4 (Annual Return for registered persons opting for Composition Scheme) for the Financial Year 2021-22 under section 47 of the CGST Act, 2017 has been waived for the period starting from 01.05.2022 till 30.06.2022.

[Notification No. 07/2022 –Central Tax dt. 26.05.2022](#)

Clarification on the legal position of voluntary payment of taxes during the course of inspection, search or investigation

Under CGST Act, 2017, the taxpayers have an option to make voluntary payment of tax through Form DRC-03. Such voluntary payment of tax before issuance of show cause notice is permitted under section 73(5) and section 74(5) of the CGST Act, 2017. This helps the taxpayers in discharging their admitted liability, self-ascertained or as ascertained by the tax officer, without having to bear the burden of interest under section 50 of CGST Act, 2017 for delayed payment of tax and may also save him from higher penalty imposable on him subsequent to issuance of show cause notice under section 73 or section 74, as the case may be.

Recovery of taxes not paid or short paid, can be made under the provisions of section 79 of CGST Act, 2017 only after following due legal process of issuance of notice and subsequent confirmation of demand by issuance of adjudication order. Therefore, there may not arise any situation where “recovery” of the tax dues has to be made by the tax officer from the taxpayer during the course of search, inspection or investigation, on account of any issue detected during such proceedings. However, the law does not bar the taxpayer from voluntarily making payment of any tax liability ascertained by him or the tax officer in respect of such issues, either before or during the course of such proceedings or subsequently. The tax officer should however, inform the taxpayers regarding the provisions of voluntary tax payments through DRC-03.

The Pr. Chief Commissioners/ Chief Commissioners, CGST Zones and Pr. Director General, DGGI are advised that in case, any complaint is received from a taxpayer regarding use of force or coercion by any of their officers for getting the amount deposited during search or inspection or investigation, the same may be enquired at the earliest and in case of any wrongdoing on the part of any tax officer, strict disciplinary action as per law may be taken against the defaulting officers.

[Instruction No. 01/2022-23 \[GST-Investigation\] dt. 25.05.2022](#)

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