

TAX INFO

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Latest update on GST Law: **All about Advisory to composition taxpayers issued on GST Portal.**

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Since FY 2019-20, composition taxpayers has to pay the liability through Form GST CMP-08 on quarterly basis while return in Form GSTR-4 is required to be filed on annual basis after end of a financial year.

The liability of the complete year is required to be declared in GSTR-4 under applicable tax rates in **table 6 as shown below**. Taxpayers should fill up table 6 of GSTR-4 mandatorily. In case, there is no liability, the said table may be filled up with '0' value.

Sr. No.	Type of supply (Outward/ Inward)	Rate of tax (%)	Value	Amount of tax			
				Integrated tax	Central tax	State/ UT tax	Cess
1	2	3	4	5	6	7	8
				<Auto>	<Auto>	<Auto>	<Auto>
				<Auto>	<Auto>	<Auto>	<Auto>
				<Auto>	<Auto>	<Auto>	<Auto>
		Total		<Auto>	<Auto>	<Auto>	<Auto>

If no liability is declared in table 6, it is presumed that no liability is required to be paid, even though; taxpayer may have paid the liability through Form GST CMP-08. In such cases, liability paid through GST CMP-08 becomes excess tax paid and moves to Negative Liability Statement for utilization of same for subsequent tax period's liability.

Liability paid through Form GST CMP-08 is auto-populated in table 5 of the GSTR-4 for convenience of the taxpayers. Taxpayers who do not fill up table 6 of GSTR-4 i.e. no liability is declared, even though, taxpayer may have paid the liability through Form GST CMP-08; since the 'Tax payable' in GSTR-4 is computed after reducing the liability declared in GST CMP-08 which is auto-populated in table 5. Thus, if nothing is declared in table 6, then the negative liability entry appears in GSTR-4.

5. Summary of self-assessed liability as per FORM GST CMP-08

(Net of advances, credit and debit notes and any other adjustment due to amendments etc.)

Sr. No.	Description	Value	Amount of tax			
			Integrated tax	Central tax	State/ UT tax	Cess
1	2	3	4	5	6	7
1.	Outward supplies (including exempt supplies)	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
2.	Inward supplies attracting reverse charge including import of services	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
3.	Tax paid (1+2)	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
4.	Interest paid, if any	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>

Therefore, In Table 10, the reconciliation of Table 5 and Table 6 takes place:

Sr. No.	Type of tax	Tax amount payable (As per table 6)	Tax Amount already paid (Through FORM GST CMP-08)	Balance amount of tax payable, if any (3-4)	Interest payable	Interest paid	Late fee payable	Late fee paid
1	2	3	4	5	6	7	8	9
1.	Integrated tax	<Auto>	<Auto>	<Auto>				
2.	Central tax	<Auto>	<Auto>	<Auto>				
3.	State/UT tax	<Auto>	<Auto>	<Auto>				
4.	Cess	<Auto>	<Auto>	<Auto>				

For convenience of the taxpayers, the amounts available in negative liability statement have been debited for all taxpayers.

It has been noticed that some taxpayers had utilised the amount available in negative liability statement for paying the liability to file statement in Form GST CMP-08 or GSTR-4 of subsequent financial year. In such cases, the amount utilised out of negative liability statement has been debited in the cash ledger. Though, such liability should have been paid by depositing the amount through challan but in some cases the amount had not been deposited by the taxpayers. The taxpayer who has deposited the amount in cash ledger, the debited amount has been adjusted whereas in case the amount of liability has not been deposited through challan, the balance in cash ledger becomes negative. In such cases, the taxpayers are advised to deposit the past liability through challan of equal amount urgently.

In case, the liability had been paid through adding in the next years' liability, the same can be claimed as refund through application in Form GST RFD-01.

However, now the dealers are advised to mandatorily fill up Table 6 of the GSTR-4.

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