

# Centre moves apex court, seeks 30 more days to open window for filing transitional tax credit

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New Delhi, August 25

The Finance Ministry has approached the Supreme Court for extension of time to open a special window for filing transitional credit claim by 30 days, as it feels GSTN has limited time to make changes in the portal to facilitate filing.

GSTN, the IT backbone of GST, operates a portal for filing all the returns and forms for claiming tax credit. Transitional credit refers to the use of tax credit accumulated up to June 30, 2017, which is the last day of the erstwhile central excise and service tax regime. After the introduction of the Goods and Services Tax (GST), a special provision was made for credit accumulated under VAT, excise duty or service tax to be transited to GST but within a certain deadline.

The Centre filed a miscellaneous application for a limited



purpose seeking extension of time to ensure that the web portal is ready in all respects for implementation of the order passed by the Apex Court dated July 22. "It is an endeavour to ensure that the directions of this Court get implemented in toto, free from errors and with the best efforts," the application said.

## The GST calendar

Earlier, the Court ordered that the portal be opened for 60 days, from September 1 to October 31. Now, the application seeks direction to GSTN to open window for 60 days between October 1 and

December 31. It has submitted that various dates of every month are crucial for return filing and tax collection in the GST system. For example, 7-11 of every month is peak filing period for form GSTR-1 (reporting form for invoices). Similarly, 12-14 of every month is GSTR-2B (ITC statement of the taxpayer) generation period, which is the facility for the taxpayer to see how much credit is available to him/her.

Further, 15-20 of every month is the peak filing period for GSTR-3B; 90-95 lakh returns are filed, and during these days about 90 per cent of monthly revenue of around ₹1.1-lakh crore is deposited by taxpayers. In quarterly filing months (end of each quarter of the financial year for small taxpayers), this peak filing period extends up to 24th due to separate date of return filing for them. In view of the criticality of revenue collection, IT changes

are avoided from 7-24 of every month. This leaves GSTN with a deployment window from the 25<sup>th</sup> of a month to the 6th of the next month in every cycle. With these arguments, the Centre has prayed for extension.

Abhishek A Rastogi, partner at Khaitan & Co, says the government has requested for additional 30 days for opening the portal and, accordingly, the portal is proposed to be open from October 1. It is always pragmatic to open the fully-operational portal which could address the diverse issues of the taxpayers in robust manner.

"Interestingly, there could be several other issues which may get resolved once the portal is open and the taxpayers may get an alternative to address their pending issues such as Trans-3 credit and transitional credit denied to exporters due to the Circular," added Rastogi.