

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA

UNSTARRED QUESTION No. 3854

TO BE ANSWERED ON MONDAY, MARCH 24, 2025/CHAITRA 3, 1947 (SAKA)

GST COMPLIANCE CONCERNS OF MSMES AND SMALL TAXPAYERS

3854. SMT. POONAMBEN HEMATBHAI MAADAM:

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Government has taken any steps to address the compliance concerns of MSMEs and small taxpayers under GST;
- (b) if so, the details thereof;
- (c) whether the Government has taken any steps to simplify and streamline GST procedures to facilitate trade and commerce in the country; and
- (d) if so, the details thereof and the manner in which these steps promote ease of doing business?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): Yes, Government on the recommendations of GST Council, has proactively taken several measures from time to time to reduce the compliance burden of taxpayers, to simplify the GST and to promote ease of doing business in the country. Some of the major policy measures undertaken/being taken by the Government in this regard are as under:

- (i) The threshold limit of annual turnover for registration under GST for entities engaged in supply of goods has been increased to Rs. 40 lakhs (other than some special category States) effective from April 1, 2019, which was initially Rs. 20 lakhs. This ensures that no GST compliance is required by such small units below the above threshold turnover and no GST is required to be paid by such units upto the said threshold turnover.

- (ii) The threshold limit of annual turnover for supply of goods under composition scheme has been increased to Rs. 1.5 crore (other than some special category States) effective from 1st April 2019, which was initially Rs. 75 lakhs. Such taxpayers under composition scheme are required to file a return on annual basis, thus reducing their compliance burden substantially.
- (iii) A scheme of quarterly return filing and monthly payment (QRMP) has been introduced where small taxpayers with turnover up to Rs. 5 crores have an option to file returns on quarterly basis, instead of monthly return
- (iv) Functionality for filing of NIL GST monthly return through SMS has been created for benefit of taxpayers.
- (v) Refund process has been made completely electronic with the process of filing, processing and sanction of refund done completely electronically.
- (vi) To reduce compliance burden on small taxpayers, exemption has been provided from filing annual return to taxpayers having annual Aggregate Turnover upto Rs. 2 crores.
- (vii) To facilitate and ease return filing process, an auto-generated return with editing facility is being provided to the taxpayers on the portal based on details of the outward supplies furnished by the taxpayer and their suppliers.
- (viii) A new option has been provided to allow the amendment of outward supplies of goods or services for current tax period.
- (ix) UPI, Credit Card and IMPS have been provided as additional modes for payment of GST to facilitate taxpayers and to further encourage digital payment.
- (x) To facilitate small taxpayers in making supply of goods through e-commerce operators (ECOs), the requirement of mandatory registration for intra-state supply of goods through ECOs has been waived off with effect from 01.10.2023 subject to fulfillment of certain conditions.
- (xi) Retrospective amendment w.e.f. 01.07.2017 has been made to increase the time limit to avail input tax credit in respect of any invoice or debit note pertaining to the financial years 2017-18, 2018-19, 2019-20 and 2020-21, through any GSTR 3B return filed upto 30.11.2021.

(xii) Section 128A has been inserted in Central Goods and Services Tax Act, 2017, leading to waiver of interest and penalties for demand notices issued under Section 73 of the CGST Act for the fiscal years 2017-18, 2018-19 and 2019-20, in cases where the taxpayer pays the full amount of tax demanded in the notice upto 31.03.2025.

(xiii) Amendment has been made in Section 107 and Section 112 of Central Goods and Services Tax Act, 2017, for reducing the amount of pre-deposit required to be paid for filing of appeals under GST.

(xiv) To reduce burden of late fee on smaller taxpayers, late fee structure has been rationalized, from June, 2021 tax period onwards, by aligning the upper cap of late fee with tax liability/turnover of the taxpayer.

(xv) Decriminalization of certain offences have been carried out in Central Goods and Services Tax Act, 2017.
