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Form 26AS transformed into AIS Incorporates GST details

The 26AS form, popularly known to show tax payment details of every tax payer including TDS, Advance Tax and Self Assessment Tax has been enlarged now in its scope to show GST data as well. A new Section "H" has been introduced in it which shows month wise data, picked up from GST return Form 3B, of taxable turnover and total turnover.

The GST registration number was designed to have PAN as its base making linkage possible. The linkage, that the digital era has paved the way, between direct tax and indirect tax has thus been initiated.

Implication:

The turnover of business or profession shown in Profit and Loss account can be instantly compared with turnover shown in GST-3B returns.

CBVA Views

1. If you have not filed return of income for Financial Year 2019 – 2020 (A.Y. 20-21), it is advisable to make a reconciliation of the turnover figures before filing the return of income.
 - If you have already filed the return of income, do the reconciliation and in case of discrepancy, think of preferring a revised return of income.

In any case, it is always required by Service tax /GST Department to reconcile the revenue as per Profit and Loss Account with revenue disclosed in the GST returns for a given year.

2. The CBDT has incorporated month wise figures of GST turnover from Form No. GSTR-3B. In doing so they have ignored the fact that under Section 39 of GST Act, adjustments (or corrections) are permitted to be made upto September of next financial year. These can be warranted because of
 - Either an incorrect output liability or may be an incorrect credit taken in any of the months in the financial year.

- Or, because of any credit note issued (on account of quantum dispute with the party) during the financial year which is reversed by issue of debit note on settlement of dispute with the party.

Thus, any corrections made under Section 39 are at present not getting reflected in the data being imported into Column H of Form 26AS and will lead to a mismatch with figures in Profit and loss account filed with income tax return.

3. A final opportunity is also available at the time of filing the annual return of GST, (optional for those having turnover upto two crores and). Again these are not getting reflected in Form No. 26AS details of monthly turnover leading to further scope for a mismatch.
 - Last date for Annual GST return of F.Y. 2018-19 is 31st of December 2020 and for F.Y. 2019-20, it is yet to be announced.
4. The mismatch will result in queries from both the departments, Income Tax as well as GST department and, even though nothing may be wrong, will have to be complied with. It is advisable to have a clear and ready reconciliation to avoid harassment on such accounts.
5. The day is not far off when all the purchases made, personal purchases and capital goods purchased, which are subjected to GST, will find mention in the 26AS for linkages may be made through mobile numbers which Vendors generally ask at the time of issuing bill.

Best Regards,

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