

# GST Amnesty Scheme

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**In News:** SC rejects plea on extending GST amnesty scheme

## Background

- The Finance Ministry has observed that there are a large number of taxpayers who are not filing their GST returns since the inception in 2017.
- To put an end to this continuous default and provide an opportunity to non-compliant taxpayers to be up to date with their filings, the GST Amnesty Scheme was introduced.

## What Is The GST Amnesty Scheme?

- From the time GST was introduced in July 2017, there has been a lot of non-compliance due to the – ambiguity in the GST provisions, regular amendments, lack of knowledge, etc.
- Further, the non-filers chose to not be compliant because of the penalty and late fee applications.
- Therefore, the GST Amnesty Scheme was introduced to encourage non-filers to voluntarily come forward and file their GST returns by providing a one-time relief from late fees.

## Challenges

- Taxpayers filing returns for July 2017 to July 2020 post 30th September 2020 are still facing the considerable liability of late fees.
- Owing to the pandemic that hit the country this year, many businesses have faced significant losses and are finding it hard to pay off the regular tax liabilities. MSMEs are liable to pay a late fee of INR 50 per day (INR 20 per day in case of a NIL return) for late filing

of GSTR-3B by the due date.

- Considering all this, constant requests are being made to the Government to extend the period of the GST Amnesty Scheme.