

INTEREST CALCULATOR IN GSTR-3B

Introducing Interest calculator

1. To facilitate taxpayers in doing self-assessment, the new functionality of ***interest calculator*** is being released in GSTR-3B. This functionality will assist taxpayers in calculating the interest applicable for delayed filing of returns. Taxpayers will have to verify and discharge the correct interest liability as per law, as payment of interest is a statutory compliance.

Interest computation

2. The interest computed by the system has been aligned with the Section-50 of the CGST Act, 2017, **as amended**. Consequently, interest liability for respect of supplies made during the tax-period pertaining to the GSTR-3B being filed will be calculated *only* on that portion of the tax which is paid by debiting the *electronic cash ledger*, i.e., net tax paid in cash. However, with respect to the supplies pertaining to the previous tax-period(s) being declared in later GSTR-3B, the interest will be computed for the entire liability.

Auto-population of system computed interest

3. **Furnishing tax-period wise break-up in GSTR-3B:** The return in FORM GSTR-3B allows taxpayers to discharge tax liability for previous tax-periods also, in addition to the tax liability for the present period. However, the tax-period wise break-up of the tax liability is not available in GSTR-3B.
4. This new functionality will compute the interest applicable on the basis of the values declared by the taxpayers in GSTR-3B for a particular tax-period assuming that entire liability belongs to that tax period. This system computed interest will be auto-populated in Table-5.1 of GSTR-3B for the next tax-period, the way it is done for the *Late fees* at present.
5. The system computed interest values auto-populated in next GSTR-3B return will be kept editable. However, the system generated PDF of filed GSTR-3B will contain both values: the *System computed* interest, and the *user paid* interest values.
6. To enable taxpayers to pay interest on supplies of past periods declared in a GSTR-3B, if any, a new button has been added in GSTR-3B, called '**Tax Liability Breakup, as applicable**', and data is to be entered by clicking this button only by those taxpayers who are making payment for liability pertaining to earlier tax-periods in the present GSTR-3B. In cases where the present GSTR-3B consists of liability only for the present period, the taxpayers can ignore this button, and continue filing their return as usual.

Changes in user experience

7. After the *interest calculator* is enabled on the GST Portal, there will be no change in the user experience for the taxpayers. For those who have filed the previous return after due date, the interest would be auto-calculated and populated assuming that the entire liability pertained to that tax period. **The taxpayer would still have the facility to provide the break-up of liability of the past period(s) to pay the correct interest using the ‘Tax Liability Breakup, as applicable’ button.** For details of declaring tax-period wise tax liability, please refer to the [Annexure](#).
8. This facilitation measure is expected to assist the taxpayers by helping them with calculation of correct interest while filing of GSTR-3B and will thus improve ease in filing return under GST.
9. This functionality will be made available on the GST Portal shortly, and the same will be intimated to the taxpayers. The details about functionality on computation of the interest, along with sample screenshots, are as per the [Annexure](#).

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Thanking You

Team GSTN