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Re-opening of Reporting Input Tax Credit (ITC) Reversal Opening Balance

The Government implemented changes to the reporting of Input Tax Credit (ITC) in Table 4 of Form GSTR-3B through Notification No. 14/2022 – Central Tax, dated July 5, 2022, alongside Circular 170/02/2022-GST, dated July 6, 2022. These changes allow taxpayers to reclaim ITC that was previously reversed in Table 4(B)(2) of GSTR-3B, provided they meet specific conditions.

The reclaimed ITC must also be reported in Table 4D(1) of the form GSTR-3B. However, the new reporting requirements led to mistakes by taxpayers, prompting unnecessary inquiries from the department.

To assist taxpayers in correcting their GSTR-3B reporting, the department introduced a new ledger called the Electronic Credit Reversal and Reclaimed Statement on the GST Portal. This was made available starting from the August 2023 return period for monthly taxpayers and the July 2023 - September 2023 quarter for quarterly taxpayers. Taxpayers were given the opportunity to report their cumulative ITC reversals as an opening balance as of August 31, 2023.

Now, government has again opened the window where taxpayers are being provided with one final opportunity to report their cumulative ITC reversal (ITC that has been reversed earlier and has not yet been reclaimed) as opening balance for “Electronic Credit Reversal and Reclaimed Statement”, if any, before hard locking the reversal and reclaim ledger.

Important dates:

- You can report the opening balance starting from September 15, 2024, to October 31, 2024.
- In case of any amendment to the reported opening balance, the same can be made until November 30, 2024.

Related Tax Periods for Reporting:

- Monthly filers should report reversals related to tax period up to July 2023.
- Quarterly filers should report reversals related to tax period up to April-June 2023.


DISCLAIMER:


The information contained herein is in summary form and is prepared based on the provisions of GST law and related Rules, Circulars and Notifications therein. For details, please refer to the relevant requirements. While the information is believed to be accurate to the best of our knowledge, we do not make any representations or warranties, express or implied, as to the accuracy or completeness of this information. The reader should conduct and rely upon their examination and analysis and are advised to seek their professional advice. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.

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