

**NO.F.1-11(68)-TAX/2016(Part) / 8483-89**  
GOVERNMENT OF TRIPURA  
OFFICE OF THE CHIEF COMMISSIONER OF STATE TAX  
P.N. COMPLEX, GURKHABASTI, AGARTALA

Email Id: ct.tax-tr@gov.in

Phone No.: 0381-2325984 (O)

Dated, Agartala, the <sup>24<sup>th</sup> Oct,</sup> ~~23<sup>rd</sup> September,~~ 2020.

To  
The Additional Commissioner of State Tax/  
The Deputy Commissioner of State Tax/  
The Assistant Commissioner of State Tax (CDC) – I / II /  
The Superintendent of State Tax (All)/  
The Inspector of State Tax (All)

**Subject: Administrative instructions for recovery of interest on net cash tax liability w.e.f. 01.07.2017 -reg.**

Madam / Sir,

The Department of Revenue, GST Policy Wing vide letter F.NO.CBEC - 20/01/08/2019-GST dated 18<sup>th</sup> September, 2020 has issued administrative instructions for recovery of interest on net cash tax liability w.e.f. 01.07.2017, in order to implement the decision of the GST Council in its true spirit, and at the same time working within the present legal framework, which is annexed herewith.

For the purpose of uniformity in the implementation of the GST Act it is instructed to follow the instructions issued vide letter F.NO.CBEC -20/01/08/2019-GST dated 18<sup>th</sup> September, 2020 of the Department of Revenue, GST Policy Wing.

**Enclo.:** Letter No. F.NO.CBEC -20/01/08/2019-GST  
dated 18<sup>th</sup> September, 2020.

*Vishal*  
22/9/2020  
**(Dr. Vishal Kumar, IAS)**  
Chief Commissioner of State Tax  
Government of Tripura

**Copy to:**

The Assistant Statistical Officer, Statistical Section, O/o the Commissioner of Taxes & Excise, Agartala with request to upload the instruction in the Official website <https://taxes.tripura.gov.in>

F. No. CBEC- 20/01/08/2019-GST  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes and Customs  
GST Policy Wing

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Room No. 159A,  
North Block, New Delhi,  
Dated: 18<sup>th</sup> September, 2020

To,  
The Principal Chief Commissioners / Chief Commissioners / Principal Commissioners /  
Commissioners of Central Tax (All)  
The Principal Director Generals / Director Generals (All)

Madam / Sir,

**Subject: Administrative instructions for recovery of interest on net cash tax liability  
w.e.f. 01.07.2017 -reg.**

Based on the recommendations of the 35<sup>th</sup> meeting of the GST Council held on 21<sup>st</sup> June, 2019, the provision of section 50 was amended vide section 100 of the Finance (No. 2) Act, 2019 to provide for **charging interest on the net cash tax liability**. The said amendment was to be made effective from a date to be notified by the Government. Accordingly, the said provision was made effective vide notification No. 63/2020 – Central Tax dated the 25<sup>th</sup> August, 2020, w.e.f. 01.09.2020.

2. The GST Council, in its 39<sup>th</sup> meeting, held on 14<sup>th</sup> March, 2020 recommended interest to be charged on the net cash tax liability w.e.f. 01.07.2017 and accordingly, recommended the amendment of section 50 of the CGST Act retrospectively w.e.f. 01.07.2017. The retrospective amendment in the GST laws would be carried out in due course through suitable legislation.

3. Post issuance of notification 63/2020 – Central Tax dated the 25<sup>th</sup> August, 2020, there were apprehensions raised by taxpayers that the said notification is issued contrary to the Council's recommendation to charge interest on net cash liability w.e.f. 01.07.2017. Consequently, a press release, dated 26.08.2020 was issued to clarify the position. Further, in order to implement the decision of the Council in its true spirit, and at the same time working within the present legal framework, it has been decided to address the issue through administrative arrangements, as under:

a. For the period 01.07.2017 to 31.08.2020, field formations in your jurisdiction may be instructed to recover interest only on the net cash tax liability (i.e. that portion of

*Visited*

the tax that has been paid by debiting the electronic cash ledger or is payable through cash ledger); and

b. wherever SCNs have been issued on gross tax payable, the same may be kept in Call Book till the retrospective amendment in section 50 of the CGST Act is carried out.

4. Difficulty, if any, in the implementation of these instructions may please be brought to the notice of the Board.

Yours faithfully,



(Yogendra Garg)  
Pr. Commissioner  
[y.garg@nic.in](mailto:y.garg@nic.in)

Copy to:

The Joint Secretary, GST Council Secretariat, with a request to circulate to all the States for information and necessary action.