

How to file a VAT return VAT leaflet 107

Q Who has to file a return?

A If you are a registered dealer, you must file a VAT return. If your return shows that tax is due, you must also pay the tax. This is part of your self-assessment return.

Q What does self-assessment mean?

A Under VAT, you are responsible for filing correct, complete and self consistent returns by the due date. These returns are a legal declaration of your tax liability and so they must be accurate and truthful.

Q What does complete and self consistent mean?

A · The details of your name, address, Registration Certificate number, period of return and Entitlement Certificate, where applicable, must be fully filled in. · All boxes on the return applicable to your activities must be filled in. · The amounts declared must be arithmetically self consistent. · Needless to say, the return must reflect correct tax liability

Q When do I have to file my return?

A Monthly If your total net tax liability in the previous year was more than Rs. 1 lakh, you must file your returns monthly. Quarterly If your total net tax liability in the previous year exceeded Rs. 12,000 but was Rs. 1 lakh or less, you should file your returns quarterly for the periods to 30th June, 30th September, 31st December and 31st March. Six-monthly If your total net tax liability in the previous year was Rs.12,000 or less, you should make your returns every six months for the periods 1st April to 30th September and 1st October to 30th March. Dealers who are retailers and who opt for a composition scheme must file six-monthly returns. Other composition dealers must follow the rules for filing of return set out above.

Q Is there a deadline for filing my return?

A Yes. You must file your return for January on or before the 20th February and your return for February on or before the 20th March and all other returns by the 25th day of the following month.

Q Where do I file my return?

A If tax is due to be paid, you should file your return at a bank that accepts tax payments. If no tax is due to be paid, you may file the return at your sales tax office.

Q At which banks should I pay my tax?

A Your local Sales Tax Office can provide a list of the banks in your area that will accept your VAT returns and tax payments. Additionally, in some locations you may also pay cash at the treasury of the district where you carry on your business

Q Do I have to file an annual return under VAT?

A No, annual returns are no longer required.

Q Do I need to file a return if there was no business activity in the return period?

A Yes. If, for example, your business is seasonal and there was no activity in the period of the return, you must still file a Nil return.

Q I have several different places of business in Maharashtra. Can I file a consolidated returns for all my activities?

A Yes, you can file a consolidated return but only with prior approval of the Commissioner of Sales Tax. However, you cannot file a consolidated return for a place of business for which you hold a Certificate of Entitlement under any of the Package Schemes of Incentives (except the Power Generation Promotion Policy, 1998).

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Q What should I do if I find I have made an error in an earlier return?

A You will be given an opportunity to submit a revised return for the period in question to correct the error. The conditions for filing a revised return are that: · No notice of assessment has been served on you in respect of that period · You file the revised return within 6 months from the end of the financial year containing that period. Under self-assessment, which is a distinct progressive feature of VAT system, the responsibility for the accuracy of your returns rests with you. If errors are discovered in your returns, you will be liable to pay interest on the tax due and you may be liable for a penalty.