



Lawgics

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Section 80 of CGST Act, 2017



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80. Payment of tax and other amount in instalments.

On an application filed by a taxable person, the Commissioner may, for reasons to be recorded in writing, extend the time for payment or allow payment of any amount due under this Act, other than the amount due as per the liability self-assessed in any return, by such person in monthly instalments not exceeding twenty four, subject to payment of interest under section 50 and subject to such conditions and limitations as may be prescribed:

Provided that where there is default in payment of any one instalment on its due date, the whole outstanding balance payable on such date shall become due and payable forthwith and shall, without any further notice being served on the person, be liable for recovery.

Rule 158 – Payment of tax and other amounts in instalments

- (1) On an application filed electronically by a taxable person, in FORM GST DRC- 20, seeking extension of time for the payment of taxes or any amount due under the Act or for allowing payment of such taxes or amount in instalments in accordance with the provisions of section 80, the Commissioner shall call for a report from the jurisdictional officer about the financial ability of the taxable person to pay the said amount.
- (2) Upon consideration of the request of the taxable person and the report of the jurisdictional officer, the Commissioner may issue an order in FORM GST DRC- 21 allowing the taxable person further time to make payment and/or to pay the amount in such monthly instalments, not exceeding twenty-four, as he may deem fit.
- (3) The facility referred to in sub-rule (2) shall not be allowed where-
 - a. the taxable person has already defaulted on the payment of any amount under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017, for which the recovery process is on;
 - b. the taxable person has not been allowed to make payment in instalments in the preceding financial year under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017;
 - c. the amount for which instalment facility is sought is less than twenty-five thousand rupees.

Our Interpretation

Section 80
read with
Rule 158

Section 80 empowers the **Commissioner** to grant **permission to the taxable person to extend the time for payment or make payment of any amount due under the Act on instalment basis**, on an application filed electronically in **DRC-20** as prescribed under Rule 158.

DRC – 20 is an application form that can be filed by any taxpayer to apply for one of the following two options available to him in case he cannot pay entire amount due under the CGST Act, 2017 in one go:

- **Deferred payment:** when dues are deferred for payment at later stage
- **Payment in instalments:** when due is paid in instalments not exceeding 24 instalments, over a period of time.

Commissioner for **reasons to be recorded in writing**, may pass an **order in DRC-21** to :-

- Extend the time for payment (Deferment of Payment) Or
- Allow payment of any amount due in Maximum 24 monthly instalments (Instalment Payment)

This facility is only applicable for any amount due under the Act upon payment of interest @ 18% p.a. but **NOT** for the amount due as **liability self-assessed in any GST return**.

This facility cannot be used in the following situations:

1. For the payment of the amount due as liability self-assessed in any GST return.
2. If the taxable person has **already defaulted** on the payment of any amount under this Act or IGST Act, SGST/UTGST Act, for which the **recovery process is on**.
3. If the taxable person has **not been allowed** to make **payment in instalments** in the **preceding financial year** under this Act or IGST Act, SGST/UTGST Act.
4. When amount for which instalment facility is sought is less than Rs. 25,000/-.

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