

CBIC instructs authorities not to make any recovery of GST dues during search, inspection or investigation

The GST investigation wing observed that some taxpayers have alleged the use of force or coercion by officers for making recovery of tax liability during the course of search, inspection or investigation after voluntary deposit of GST liability. Therefore, in order to protect the interest of the taxpayers and ensure correct application of law in respect of voluntary payment of taxes, the CBIC has issued certain instructions as under:

- **Option to deposit tax voluntarily:** Under the GST law, taxpayers have an option to deposit tax voluntarily by way of submitting DRC-03 on the GST portal before issuance of Show Cause Notice (SCN). This helps the taxpayers in discharging their admitted liability without having to bear the burden of interest and save penalty.
- **No mandatory recovery during proceedings:** No recovery can be made unless the amount becomes payable in pursuance of an order passed by the adjudicating authority or otherwise becomes payable under the GST law. Therefore, there may not arise any situation where recovery of the tax dues has to be made by the tax officer during the course of search or inspection or investigation proceedings. However, there is no bar on the taxpayer to voluntarily make payment of dues on ascertainment of liability by him or by the tax officer in respect of issues identified during the course of such proceedings or subsequently.
- **Complaint from taxpayer:** In case any complaint is received from a taxpayer regarding use of force or coercion by any of the officers for getting the amount deposited during search or inspection or investigation, the same may be enquired at the earliest. In case of any wrongdoing on the part of any tax officer, strict disciplinary action as per law may be taken against the defaulting officers.

