

ADVISORY REGARDING CONFIRMATION OF “TAX LIABILITY BREAKUP, AS APPLICABLE” IN GSTR-3B-REG (DATED MARCH 16, 2026)

From February 2026, GST taxpayers must confirm the “Tax Liability Breakup, As Applicable” in GSTR-3B before filing. This mandatory step, designed for interest calculation on previous-period liabilities, requires reviewing auto-populated figures from GSTR-1/1A/IFF and clicking “SAVE” on the payment page, as noted in the GSTN advisory dated March 16, 2026.

Key Details on GSTR-3B Liability Breakup:

- *Objective:* To accurately calculate interest under Section 50 for liabilities related to previous tax periods that are paid in the current period.
- *Auto-population:* The GST portal automatically populates the breakup based on invoice dates reported in GSTR-1, GSTR-1A, or IFF.
- *Mandatory Action:* Taxpayers must click the “Tax Liability Breakup, As Applicable” tab on the payment page and save the information, even if there are no prior period liabilities (due to current system settings).
- *Filing Impact:* Failure to save this breakdown will prevent the taxpayer from proceeding to file GSTR-3B.
- *Effect Date:* This requirement applies from the February 2026 tax period onwards.

If the “Proceed to File” button is disabled, ensure this step is completed. Taxpayers can edit the data if the auto-population is incorrect.

Source: <https://www.gst.gov.in/newsandupdates/read/653>

ADVISORY ON THE PAYMENT OF PRE-DEPOSIT WHILE FILING OF APPEAL BEFORE FIRST APPELLATE AUTHORITY (DATED MARCH 14, 2026)

The GSTN Advisory, dated March 14, 2026, clarifies the procedure for taxpayers to ensure voluntary payments made via Form GST DRC-03 are recognized as pre-deposits when filing an appeal before the First Appellate Authority.

Key Issue Addressed

- *System Limitation:* Payments made during investigations through Form GST DRC-03 are not automatically linked to the Demand ID generated in the Electronic Liability Register when a formal demand order (e.g., DRC-07) is issued.
- *Resulting Problem:* Because these payments aren’t linked, the GST portal does not recognize them when auto-calculating the mandatory pre-deposit (admitted amount + prescribed percentage of disputed tax), often prompting taxpayers to pay the pre-deposit again.

Solution: Form GST DRC-03A

- *Action Required:* Taxpayers must file Form GST DRC-03A on the GST portal to manually link their prior DRC-03 payment with the specific Demand ID.
- *System Update:* Once filed, the payment is mapped to the relevant demand in the Electronic Liability Register.
- *Effect on Appeal:* The system will then recognize the adjusted payment, allowing the appeal to be filed without requiring additional duplicate payments.

Source: https://tutorial.gst.gov.in/downloads/news/final_advisory_for_payment_of_pre_deposit_through_drc_03.pdf