



ADVOCATES' TAX BAR ASSOCIATION

(REGISTERED UNDER SOCIETIES ACT, 1860 HAVING MEMBERS ALL OVER INDIA)

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Uttar Pradesh
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Ref.: ATBA/Rep./2023-24/03

Date 22.07.2023

To,

**The Finance Minister of India,
Ministry of Finance,
Government of India,
North Block, New Delhi**

Subject: Request for Reduction of Interest Rate in Goods and Services Tax Act

Respected Madam,

With due respect that the various tax reform, we are writing to you on behalf of the Advocates' Tax Bar Association, representing the concerns and interests of numerous businesses and entrepreneurs across the country. We extend our heartfelt gratitude for your efforts to boost the nation's economy and promote a business-friendly environment.

We are writing to bring to your attention an urgent matter of concern faced by the business community, which relates to the current rate of interest charged under the Goods and Services Tax Act. As you are aware, the interest rate currently stands at 18% per annum for any delayed GST payments.

While we acknowledge the significance of prompt tax compliance, we wish to draw your attention to the substantial burden this high-interest rate places on businesses, particularly during economic challenges and unforeseen circumstances. The 18% per annum interest rate proves to be a significant financial strain on businesses, hindering their ability to thrive, invest, and create employment opportunities in the country.

In light of this, we earnestly request you to consider our representation and take measures to reduce the interest rate under the Goods and Services Tax Act from 18% per annum to 12% per annum. We believe that this adjustment will strike a fair balance between encouraging tax compliance and easing the financial load on businesses. The rate of 12% per annum aligns with the interest rate specified under the Income Tax Act, making it a reasonable proposition.

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