

MAHA SETTLEMENT OF ARREARS IN DISPUT ACT, 2016

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26/04/2016

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MAHA SETTLEMENT OF ARREARS IN DISPUT ACT, 2016

➤ Intent:-

Looking at large amount of tax revenue pending in tax disputes, government considers it expedient for settlement of arrears in disputes under various acts

Therefore decided to provide a scheme for settlement of disputes

➤ **Total Sections:-** 13

➤ **Rule:-** Yet to be specified, reference in MVAT act

➤ **Effective date to be in force:** - Publication in official Gazette

WHICH ACTS ARE COVERED

- 1) CST 1956
- 2) Bombay sales of Motor Spirit Taxation act, 1958
- 3) BST Act 1959,
- 4) Maharashtra Purchases Tax on Sugarcane Act, 1962
- 5) Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1957
- 6) Maharashtra Sales Tax on Transfer of the Right to use any goods for any purpose Act, 1985,
- 7) Maharashtra Tax on Entry of Motor Vehicles into Local Areas Act, 1987
- 8) Maha Sales Tax on Luxuries Act, 1987
- 9) Maha sales Tax on transfer of property in good involved in the execution of works contract (re-encated) act, 1989
- 10) Maharashtra Tax on Entry of goods into local area act, 2002
- 11) Maharashtra Value added tax act 2002

DEFINITIONS

Arrears in Dispute:- includes:-

- 1) Tax, by whatever name called, under the relevant act**
- 2) Interest Payable by an applicant under the relevant act**
- 3) Penalty Imposed**

THE SCHEME

For Disputes pertaining to any assessment period ending on or before
31st March 2005

For disputed Arrears	Payment Condition	Waiver
Appeal is withdrawn for all issues	A) Pay Whole Tax B) Part payment will be adjusted	A) 100% Interest and penalty of disputed arrears B) 100% Post Assessment Interest and Penalty upto the date of payment of tax
Appeal is withdrawn for some issues	A) Pay Whole Tax B) Part Payment will be adjusted in proportion to tax amount	

THE SCHEME

For Disputes pertaining to any assessment period on or after 1st April 2005 and ending upto 31st March 2012

For disputed Arrears	Payment Condition	Waiver
Appeal is withdrawn for all issues	A) Pay 100% Tax B) Pay 25% of outstanding interest out of arrears in dispute C) Part payment will be adjusted	A) 75% Interest B) 100% penalty of disputed arrears C) 100% Post Assessment Interest and Penalty upto the date of payment of tax
Appeal is withdrawn for some issues	A) Pay 100% Tax B) Pay 25% of outstanding interest out of arrears in dispute C) Part Payment will be adjusted in proportion to tax amount	

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AVAILING THE SCHEME

- 1) Scheme available assessment period ending 31st March 2012
- 2) Application in such form to designated authority – per order
- 3) Along with Proof of payment = FORM MTR-6
- 4) Proof of withdrawal of Appeal at Appellate authority/tribunal/court
- 5) Time limit Upto 30th September 2016 for application submission

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SECTION -7

Sub-Section - 1

- Defect notice for Incomplete and incorrect application by Designated Authority
- 15 days time period for completion
- Failure to above, reject the application for reasons in writing after opportunity of being heard

Sub-section -2/3/4

- On receipt of application, payment and proof of withdrawal, PASS an order for each application **(2)**
- NO liability to pay under the relevant act after passing of the order of settlement **(3)**
- Rectification in 30 days within receipt of order by the application **(4)**

APPEAL – SECTION 8

➤ If Application is rejected:-

Appeal to	If Order passed by
Deputy Commissioner	If order passed by sub-ordinate authority
Additional Commissioner	Deputy commissioner or joint commissioner

➤ If Order is passed

NO Appeal

NO Refund –

Section 9

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CASE AFTER 2005

Tax	Under Settlement Scheme :-	Mvat Act
Tax	100	100
Interest	25	100
Penalty	0	100
Total	125	300
Part Payment	150	150
Balance	25	
Adjusted Against Interest	-25	

Excess part payment Amount shall be adjusted in Tax, then Interest then penalty .
Unadjusted amount shall not be refunded

REVOCAION OF ORDER OF SETTLEMENT - SECTION 10

- Suppressing any material information
 - Furnishing incorrect or false information
 - Concealment of any particulars
 - Or any of above is found in proceedings related to search and seizure under relevant act
-
- Reason recording in writing and opportunity of being heard

REVIEW – SECTION 11

- Commissioner
- Prejudicial to the interest of revenue
- 12 months from the date of service of order
- May server a notice and pass an order to the ***best of the judgement*** , where necessary

THANK YOU
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