

CNK & Associates LLP

News Flash – Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Ordinance, 2019

In Brief

The various Tax Laws that were in force in pre-GST era have been repealed and subsumed in the Maharashtra Goods and Service Tax Act, 2017. Since a large number of cases and litigations are pending under the repealed Laws, the Government considers it expedient to provide for a scheme of settlement of disputed and undisputed dues along with waiver of interest and penalty

❖ The Acts covered under this Ordinance are as follows-

- The Central Sales Tax Act, 1956.
- The Bombay Sales of Motor Spirit Taxation Act, 1958.
- The Bombay Sales Tax Act, 1959.
- The Maharashtra Purchase Tax on Sugarcane Act, 1962.
- The Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975.
- The Maharashtra Sales Tax on the Transfer of the Right to use any Goods for any Purpose Act, 1985.
- The Maharashtra Tax on Entry of Motor Vehicles into Local Areas Act, 1987;
- The Maharashtra Tax on Luxuries Act, 1987.
- The Maharashtra Sales Tax on the Transfer of Property in Goods involved in the Execution of Works Contract (Re-enacted) Act, 1989.
- The Maharashtra Tax on Entry of Goods into Local Areas Act, 2002, and
- The Maharashtra Value Added Tax Act, 2002.

❖ Conditions and Procedure

➤ Duration of Phase under Ordinance

Sr. No	Particulars	First Phase	Second Phase
(a)	Payment of requisite amount to be paid	Commencing on or after the 1st April 2019 and ending on or before the 30th June 2019.	Commencing on or after the 1st July 2019 and ending on or before the 31st July 2019
(b)	Duration for submission of application	Commencing on or after the 1st April 2019 and ending on or before the 30th June 2019.	Commencing on or after the 1st July 2019 and ending on or before the 31st July 2019

- The applicant who desire to avail higher relief in disputed tax, interest or penalty may prefer to file application under the First Phase.
- The application shall be submitted electronically on the MGSTD portal – www.mahagst.gov.in

➤ **Eligibility for settlement**

- The following categories of the tax payers are eligible to avail the benefits under the Ordinance:
 - ▲ Whose registration is continued after 1st July 2017;
 - ▲ Whose registration certificate under the relevant Act was valid before the 30th June 2017;
 - ▲ Whose registration certificate is cancelled at any time on or before the date of commencement of this Ordinance;
 - ▲ Who were never registered under any of the relevant Act, but desire to avail the benefits under this Ordinance, shall also be eligible to make an application and subject to the conditions may settle the arrears of tax, interest, penalty or late fee payable for the periods ending on or before the 30th June 2017.
- The applicant shall be eligible to make an application for settlement whether the arrears sought to be settled are disputed under the relevant Act or not.
- The applicant who has availed benefits of the Amnesty scheme, as declared by the Government under any Government Resolution or under the Maharashtra Settlement of Arrears in Disputes Act, 2016, shall also be eligible to make an application under this Ordinance.

➤ **Withdrawal of Appeal**

- An appeal pending before the appellate authority or the Tribunal or the Court, shall be withdrawn unconditionally by the applicant by submission of an appeal withdrawal application to the aforesaid authorities or the Court.
- The acknowledgement of the appeal withdrawal application along with the application for settlement shall be treated as sufficient proof towards withdrawal of the said appeal.
- The applicant is permitted to withdraw the appeal, in respect of certain issues and to continue the appeal for certain other issues. In this case the applicant shall specifically state details thereof in withdrawal application filed before the said authorities or the Court.

❖ Extent of waiver up to 31st March 2010

Annexure-A
For the periods up to the 31st March 2010

Sr. No.	Amount	First Phase		Second Phase	
		Amount to be paid	Amount of Waiver	Amount to be paid	Amount of Waiver
(a)	(b)	(c)	(d)	(e)	(f)
(1)	Un-disputed Tax amount	100% of the amount in column (b).	NIL	100% of the amount in column (b).	NIL
(2)	Disputed Tax Amount.	50% of the amount in column (b).	50% of the amount in column (b).	60% of the amount in column (b).	40% of the amount in column (b).
(3)	Amount of interest payable as per any statutory order or returns or revised returns.	10% of the amount in column (b).	90% of the amount in column (b).	20% of the amount in column (b).	80% of the amount in column (b).
(4)	Outstanding penalty amount as per any statutory order.	5% of the amount in column (b).	95% of the amount in column (b).	10% of the amount in column (b).	90% of the amount in column (b).

Sr. No.	Amount	First Phase		Second Phase	
		Amount to be paid	Amount of Waiver	Amount to be paid	Amount of Waiver
(5)	Amount of post assessment interest or penalty or both leviable but not levied up to the date of application by the dealer under the relevant Act.	0% of the amount in column (b).	100% of the amount in column (b).	0% of the amount in column (b).	100% of the amount in column (b).
(6)	Late fee payable in respect of returns filed during the period commencing from the 1st April 2019 to 31st July 2019.	0% of the amount in column (b).	100% of the amount in column (b).	0% of the amount in column (b).	100% of the amount in column (b).

❖ Extent of waiver for the period 1st April 2010 to 30th June 2017

Annexure-B

For the period commencing on or after 1st April 2010 and ending on or before the 30th June 2017

Sr. No.	Amount	First Phase		Second Phase	
		Amount to be paid	Amount of Waiver	Amount to be paid	Amount of Waiver
(a)	(b)	(c)	(d)	(e)	(f)
(1)	Un-disputed Tax amount	100% of the amount in column (b).	NIL	100% of the amount in column (b).	NIL
(2)	Disputed Tax Amount.	70% of the amount in column (b).	30% of the amount in column (b).	80% of the amount in column (b).	20% of the amount in column (b).
(3)	Amount of interest payable as per any statutory order or returns or revised returns.	20% of the amount in column (b).	80% of the amount in column (b).	30% of the amount in column (b).	70% of the amount in column (b).
(4)	Outstanding penalty amount as per any statutory order.	10% of the amount in column (b).	90% of the amount in column (b).	20% of the amount in column (b).	80% of the amount in column (b).
(5)	Amount of post assessment interest or penalty or both leviable but not levied up to the date of application by the dealer under the relevant Act.	0% of the amount in column (b).	100% of the amount in column (b).	0% of the amount in column (b).	100% of the amount in column (b).
(6)	Late fee payable in respect of returns filed during the period commencing from the 1st April 2019 to 31st July 2019.	0% of the amount in column (b).	100% of the amount in column (b).	0% of the amount in column (b).	100% of the amount in column (b).

❖ Key Take Away

- In case of appeals that are pending and are without merit, settlement can be sought through the provisions of this Ordinance.
- Pending assessments can now be completed and the demands raised can be waived off to the extent permitted under this Ordinance.
- Various returns that were required to be filed under the repealed Laws but have not been filed till date can now be filed and waiver can be claimed in interest and late fee based on the provisions of this Ordinance.

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This e-publication is published by CNK & Associates, LLP, Chartered Accountants, India, solely for the purposes of providing necessary information to employees, clients and other business associates. This publication summarises Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Ordinance, 2019. Whilst every care has been taken in the preparation of this publication, it may contain inadvertent errors for which we shall not be held responsible.

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