

Assam Amnesty Scheme: Settlement of arrears under indirect tax legislation

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Summary

The government of Assam has promulgated the Assam Taxation (Liquidation of Arrear Dues) Ordinance, 2020 for settling outstanding tax dues pertaining to the period prior to the introduction of the Goods and Services Tax (GST) to clear the backlog of arrear demands. **Under the scheme, payment can be made by 31 July 2020.**

Key features of the scheme

Benefits

Amount to be paid on or before 31 July 2020	Benefit
Total outstanding amount (100% tax and 15% interest to be paid)	100% penalty waiver
Total outstanding dues consisting of only interest and penalty	Waiver of 30% interest with 100% penalty waiver
Total outstanding dues consisting of only penalty	50% penalty waiver

Eligibility

An application for settlement of outstanding dues of arrears of tax, interest or penalty under the scheme can be made in respect of amounts assessed for period

up to 30 June 2017 and levied against the applicant on or before 30 September 2019.

However, disputes should not be lying before any statutory forum or the Gauhati High Court or the Supreme Court as on the date of application.

Acts covered

- The Central Sales Tax Act, 1956
- The Assam Value Added Tax Act, 2003
- The Assam Professions, Trades, Callings and Employments Taxation Act, 1947
- The Assam Electricity Duty Act, 1964
- The Assam Taxation (On Specified Lands), Act, 1990
- The Assam Agriculture Income Tax Act, 1939

Procedure to avail the scheme

- **Application:** An application shall be made to the respective designated authority in **Form 1** along with copy of designated bank challan for payment made under the scheme.
- **Issue of order:** The designated authority shall, within **thirty days** of receipt of application, verify the correctness and shall issue an order in writing determining the amount payable and waiver applicable.
- **Discharge of liability:** Consequent upon determination of amount payable, the applicant shall deposit balance amount, if any, as per the order. Upon payment of such amount, the applicant shall stand discharged from any further liability.
- **No refund of amount paid:** The amount paid under the scheme shall not be refundable under any circumstances. In case of revocation of order, the amounts paid by the applicant shall be deemed as payment made under the relevant acts covered under the scheme.

Our comments

Many states like Maharashtra, Gujarat, Himachal Pradesh, Karnataka, Kerala, Uttar Pradesh, Goa, etc. have recently introduced a one-time tax settlement/amnesty schemes in order to fast-track clearance of pending litigation under the erstwhile indirect tax regime. Such schemes provide a one-time opportunity to the taxpayers to settle their past disputes as also ensure release of blocked revenues for the government.

Thus, the businesses should undertake a due evaluation and make optimum use of this one-time benefit provided by the government.

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