

Goa Amnesty Scheme: Settlement of arrears under indirect tax legislation

Issued on: 29 May 2020



Summary

The government of Goa has promulgated The Goa (Recovery of Arrears of Tax through Settlement) (Amendment) Ordinance, 2020¹ (Scheme) 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. The Scheme shall be valid during the period 27 May 2020 till 26 November 2020.

Benefits under the Scheme

Demand	Benefit
Demand against assessment orders, where no appeal/review filed	Penalty waiver
Demand against assessment orders, pending in appeal appeal/review/writ etc.	Waiver of 50% tax and interest with penalty waiver
Demand against non-submission of declaration forms and pending in appeal	Interest and penalty waiver

Eligibility

- An application for settlement of arrears of tax, interest, or penalty under the Scheme can be made in respect of:
 - **Where no appeal has been filed:** Any period of assessment up to the financial year (FY) ending on 31 March 2016
 - **If appeal is pending:** Any period of assessment up to 30 June 2017
- However, the Scheme cannot be availed in case of following:
 - Appellate or revisional authority or court has remanded the matter back to the assessing authority for fresh assessment and such assessment has not been completed as on 31 January 2020
 - Cases already decided or settled before commencement of the Scheme

¹ Ordinance No. 3 of 2020

Acts covered under the Scheme

- The Central Sales Tax Act, 1956
- The Goa Entertainment Tax Act, 1964
- The Goa Sales Tax Act, 1964
- The Goa Tax on Luxuries Act, 1988
- The Goa Tax on Entry of Goods Act, 2000
- The Goa Value Added Tax Act, 2005

Procedure to avail the Scheme

- **Pay balance amount²:** The applicant shall pay the balance amount, if any, by using e-challan and submit to the designated authority a self-attested photocopy of such challan in proof of payment of the amount as determined and intimated by the designated authority in **Form II**.
- **Issue of discharge form:** The designated authority shall issue a certificate of settlement in **Form III** to the applicant.
- **No refund of interest or penalty already paid³:** The applicant shall not be eligible for refund of any penalty or interest already paid, either in full or in part.
- **No refund of excess amount:** The applicant shall not be eligible for refund of any amount that may become excess due to settlement under the Scheme.

² Appeal pending before the Appellate Authority or Tribunal and payment of 10% or 50% of the disputed amount of tax, interest and penalty u/s

Our comments

In order to clear the backlog of disputes under erstwhile indirect tax legislation, other than Goa, various states, such as Maharashtra, Gujarat, Himachal Pradesh, Karnataka, Kerala, Uttar Pradesh, etc., have also introduced one-time settlement/tax amnesty scheme.

Such schemes aim to fast-track clearance of pending litigations, thereby benefitting both, the taxpayers as well as the government.

This is a one-time opportunity for taxpayers to settle their past disputes. Accordingly, due evaluation should be made by the businesses to make optimum use of this Scheme.

Section 35(4) or Section 36(2) of the Goa VAT Act, 2005 has been done

³ In cases where no appeal or review application / revision / rectification is filed

Contact us

To know more, please visit www.grantthornton.in or contact any of our offices as mentioned below:

NEW DELHI National Office Outer Circle L 41 Connaught Circus, New Delhi 110 001 T +91 11 4278 7070	NEW DELHI 6th floor, Worldmark 2, Aerocity, New Delhi – 110 037 T +91 11 4952 7400	AHMEDABAD 7th Floor, Heritage Chambers, Nr. Azad Society, Nehru Nagar, Ahmedabad – 380 015	BENGALURU 5th Floor, 65/2, Block A, Bagmane Tridib, Bagmane Tech Park, C V Raman Nagar, Bengaluru – 560 093 T+91 80 4243 0700	CHANDIGARH B-406A, 4th Floor, L&T Elante office Building Industrial area, Phase-I, Chandigarh 160 002 T +91 172 4338 000
CHENNAI 7th Floor, Prestige Polygon 471, Anna Salai, Teynampet Chennai - 600 018 T +91 44 4294 0000	DEHRADUN Suite No 2211, 2nd Floor Building 2000 Michigan Avenue, Doon Express Business Park, Subhash Nagar, Dehradun 248 002 T +91 135 264 6500	GURGAON 21st Floor DLF Square Jacaranda Marg, DLF Phase II, Gurgaon 122 002 T +91 124 462 8000	HYDERABAD 7th Floor, Block III White House Kundan Bagh, Begumpet Hyderabad 500 016 T +91 40 6630 8200	KOCHI 7th Floor, Modayil Centre Point, Warriam Road Junction, MG Road, Kochi 682 016 T +91 484 406 4541
KOLKATA 10C Hungerford Street 5th Floor, Kolkata 700 017 T +91 33 4050 8000	MUMBAI 16th Floor, Tower II Indiabulls Finance Centre SB Marg, Prabhadevi (W) Mumbai 400 013 T +91 22 6626 2600	MUMBAI Kaledonia, 1st Floor, C Wing (Opposite J&J office) Sahar Road, Andheri East, Mumbai - 400 069 T +91 22 6176 7800	NOIDA Plot No. 19A, 7th Floor Sector – 16A, Noida 201 301 T +91 120 4855 900	PUNE 3rd Floor, Unit No 309 to 312, West Wing, Nyati Unitree Nagar Road, Yerwada Pune- 411 006 T +91 20 6744 8800

For more information or for any queries, write to us at contact@in.gt.com



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