

TAX ALERT

West Bengal Sales Tax (Settlement of Dispute) Act, 1999

BT Associates is a premier Indirect Tax Consultant in Kolkata, delivering high quality services to clients in the area of Indirect Taxation. The firm covers the entire range of indirect taxes including specialized service offerings that are specific to different business needs.



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Twenty years of experience in Indirect Tax practice, specialist in Structuring & Planning and tax optimization under Indirect Tax. Lead eastern India Indirect Tax Practice of Ernst & Young in past.

Government of West Bengal has revived the scheme of settlement of dispute, thereby giving an opportunity to the assessee to settle their cases relating to arrear tax, penalty or interest in dispute. The scheme extends to the whole of West Bengal. The disputed cases shall relate to the following Acts (herein after referred as relevant **Act**) :-

- West Bengal Sales Tax Act, 1994
- Acts referred in Section 106(1) of the West Bengal Sales Tax Act, 1994 namely:- (a) Bengal Finance Sales Tax Act, 1941; (b) West Bengal Sales Tax Act, 1954; (c) Bengal Raw Jute Taxation Act, 1941; & (d) W.B. Motor Spirits Sales Tax Act, 1974.
- West Bengal Value Added Tax, 2003
- Central Sales Tax Act, 1956
- Rules made or Notifications issued under any of the above mentioned Acts.

APPLICABLE CASES FOR SETTLEMENT

The cases relates to arrear tax, penalty or interest in dispute which means the following:

1. Tax payable by an assessee as determined during the assessment, or,
2. Penalty imposed for default in submitting return, or,
3. Interest payable by an assessee as determined in relation to delayed payment or short payment of tax.

The case must be in dispute in respect of any period ending **on or before the 31st day of March, 2014** for which

assessment has been completed. The appeal or revision must be pending before the appellate authority or revisional authority as on the **30th day of September, 2016**. However settlement application cannot be filed in case the appeal or revision has been finally heard by the appellate authority or the revisional authority as the case may be. The cases pending before the West Bengal Taxation Tribunal, or the High Court, or the Supreme Court as on 30th day of September, 2016 are also eligible for settlement, provided the leave of the concerned authority is obtained.

AMOUNT PAYABLE IN SETTLEMENT SCHEME

S. NO.	DISPUTED TAX IN ARREAR RELATES TO	AMOUNT PAYABLE
1	Non-furnishing or non-production of any form, certificate or declaration such as Form-C, Form-H etc.	100% of remaining balance amount of unpaid tax in dispute.
2	Disallowance of any claim of input tax credit	30% of unpaid tax in dispute
3	Any other arrear tax in dispute not covered above	60% of unpaid tax in dispute

- The unpaid interest and penalty in dispute shall be waived.
- The applicant shall pay the amount calculated above before making an application for settlement of case.
- The scheme provides for settlement covering all types of disputes related to the pending matter in appeal or revision and not for a part of the dispute and leaving the other part pending before the concerned authority.
- The scheme provides for adjustment of the pre deposit of disputed tax paid while filing appeal or revision application before appellate authority or revisional authority.

APPLICATION AND PROCEDURE OF SETTLEMENT

- Application for settlement along with a copy of challan showing the payment of tax, shall be made on or before the **31st day of January, 2017**, in Form 1.
- Separate applications shall be made by an applicant for different periods under each of the relevant Acts.
- The designated authority shall issue a provisional certificate of settlement to the applicant within seven working days of the receipt of the application.
- The designated authority may issue a notice to the applicant to rectify the discrepancy or to make payment of the amount short paid after verifying the correctness of the declaration. Such notice shall be issued within three month following the month

in which the application is made. If such notice is not issued, the provisional certificate of settlement becomes final after the expiry of said period.

- The certificate of settlement issued shall be conclusive and the dispute shall be deemed to be settled.
- The certificate of settlement issued may be rectified or amended or settlement may be refused, after recording reasons in writing.
- The certificate of settlement issued may be revoked if it appears that the applicant has obtained the benefit of settlement by suppressing any material information.

