

Press Note

Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2022

For the past two years, the world has been going through an unprecedented pandemic that has hit the business world hard and has had an adverse effect on economic growth. To provide relief to the industry and business sector, an Amnesty Scheme on various taxes levied by the Sales Tax Department before the introduction of the Goods and Services Tax is introduced. This amnesty scheme is applicable to all the pending dues for the periods up to 31/06/2017 i.e. before introduction of GST.

1. Under this Amnesty Scheme, the period for payment of the requisite amount will be from April 1, 2022 to September 30, 2022. In order to avail the benefit of this scheme, the appeal filed by the dealers will have to be withdrawn unconditionally.
2. Arrears up to Rs. 10,000 or less per year as per any statutory order passed under the various tax laws implemented by the department are waived off completely. Around 97000 small cases will be benefited by this relief.
3. Dealers having arrears as on the 1st April 2022 up to Rs. 10 lakhs or less as will have the option to pay a lump sum amount of 20 per cent of the total arrears. Waiver will be granted to the remaining 80 per cent of the arrears.
4. Dealers having dues above 10 lakh or who would not opt for lump sum option will have to pay 100% of the undisputed tax, 30% of the disputed tax, 10% of the interest and 5% of the penalty for the periods up to 31st March 2005. For the periods from 1st April 2005 to 30th June 2017, this proportion would be 50% of the disputed tax, 15% of the interest and 5% of the penalty. Upon payment as per the aforesaid proportions, the balance arrears shall be waived.
5. In order to avail the benefits of this Amnesty Scheme, one has to pay the requisite amount at one time within the stipulated period. However, the dealers having arrears of more than Rs. 50 lakhs have been provided an option to pay the requisite amount in instalments.