

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

The Maharashtra Government has announced the 'Amnesty Scheme' for pre-GST and VAT arrears of the taxpayers while presenting the State Budget for FY 2022-23 on 11 March 2022. The scheme intends to provide relief to the business sectors adversely affected during the pandemic and the subsequent economic slowdown.

Name of the Scheme

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

Period for which the scheme will be open

The settlement for cases can be done from 1 April 2022 to 30 September 2022.

Period of disputes covered

This amnesty scheme is applicable to all the pending dues for the past periods upto 30 June 2017, i.e., before the introduction of GST.

Conditions

In order to avail the benefit of this scheme, the appeal filed by the dealers will have to be withdrawn unconditionally.

Amount to be paid as a settlement

Amount of arrears as on 1 April 2022	Settlement amount to be paid	Remarks
Upto INR 10,000 per year	Nil	Full waiver. 97000 pending cases will be settled in this way
Upto INR 10 lakh (above INR 10,000)	20% of total arrears to be paid in lumpsum	Waiver of 80% of the balance
<ul style="list-style-type: none"> Dealers with Dues Upto INR 10 lakh but not willing to pay in lumpsum , OR Dealers with dues above INR 10 lakh 	Dues upto 1 April 2005 <ul style="list-style-type: none"> 100% of the undisputed tax , if unpaid 30% of disputed tax 10% of interest 5% of penalty 	Balance waived
	Dues from 1 April 2005 to 30 June 2017 <ul style="list-style-type: none"> 100% of undisputed tax 50% of disputed tax 15% of interest 5 % of penalty 	

Dealers with settlement dues above INR 50 lakh will be allowed payments in installments (details awaited)

Weblink [https://beams.mahakosh.gov.in/Beams5/BudgetMVC/BudgetBooksPDF1/2022-2023/Speech/Part-II%20\(Speech\)%20\(English\).pdf](https://beams.mahakosh.gov.in/Beams5/BudgetMVC/BudgetBooksPDF1/2022-2023/Speech/Part-II%20(Speech)%20(English).pdf)

Therefore

It is a decent opportunity for the dealers who have pending appeals that are not very strong on merits. (i.e., where a setting aside/quashing in litigation of 100% of the disputed arrears is not a certainty) The scheme will facilitate the closure of the pre-GST cases by paying the settlement amounts, which are a small fraction of the total dues.

Assurance | Consulting | GRC | Taxation

Ahmedabad | Bengaluru | Chennai | Coimbatore | Delhi | Goa | Mumbai | Pune | Vadodara