

TAX FLASH NEWS

25 July 2019

Circular update – Amendment to the provisions of Maharashtra Amnesty Scheme

On 18 June 2019, the Hon'ble Finance Minister of Maharashtra in his additional budget speech for year 2019-20, announced certain amendments to the amnesty scheme. In order to provide an understanding of the amendment suggested, the circular¹ has been issued providing therein the scope of the amendment.

Gist of the clarification provided in the circular is as under –

Sl. no.	Modification undertaken	Clarification
1	Definition of 'arrears of tax'	The definition has been amended to increase the coverage of the term 'arrears of tax' by including even those arrears ² which have been recommended by the auditor, in the audit report, which may or may not have been accepted by the dealers.
2	Definition of 'return dues'	The scope has been enhanced to include un-paid return dues filed up to 16 August 2019 (earlier it was 15 July 2019).
3	Definition of 'undisputed tax' with respect to recommendation made by auditor in the audit report	
	a) Tax	Tax amount recommended and accepted by the dealer shall be treated as undisputed tax.
	b) Interest and late fee	Interest and late fee shall not be treated as undisputed tax and therefore shall be available for the settlement benefits.
4	Extension of due dates for submission of application and making payment under the amnesty scheme	Due date has been extended as under – First phase – will end on 31 July 2019 Second phase – commences from 1 August 2019 and will end on 31 August 2019
5	Adjustment of payments made under relevant Act and settlement of arrears	Payment made in respect of statutory order either in appeal or otherwise on or before 31 March 2019 shall be first adjusted in the following manner- a) First in the ratio of undisputed tax and disputed tax b) Balance if any, shall be adjusted against the interest, penalty and late fee, sequentially.
6	Arrears of tax, interest, penalty or late fee, in case of statutory orders passed or returns or revised return filed	Scope of arrears of tax, interest, penalty and late fee has been extended to cover statutory order passed, return or revised return filed up to 16 August 2019 (earlier the date was 15 July 2019)
7	Set-off of entry tax paid under Amnesty scheme	Taxpayer who has availed the benefit under the amnesty scheme towards the tax payable under the Entry Tax Act, shall not be eligible to claim set-off of any amount paid (under Entry Tax Act on goods) in the appeal or otherwise including any amount paid on or before 31 March 2019.

¹ Trade circular no. 40T of 2019 dated 20 July 2019

² Tax, interest and late fee

8	Late fee waiver	Late fee waiver is available as under For return period up to 30 June 2017 – return to be filed between 1 April 2019 to 31 August 2019 – full waiver. However, late fee waiver shall not be available for return period ending on or before 30 June 2017 that are filed before 6 March 2019.
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