Telangana Govt. introduces 'Amnesty Scheme' to settle pre-GST arrears; Prescribes tax-rates, timelines

Telangana Govt. introduces 'The Telangana State One-Time Settlement Scheme 2022', to settle disputed tax under legacy Acts such as Andhra Pradesh General Sales Tax Act, 1957, Telangana Value Added Tax Act, 2005, Central Sales Tax Act, 1956 and Telangana Entry of the Goods into Local Areas Act, 2001; Introduces the scheme pursuant to proposal from Commissioner of Commercial Taxes to release the locked-up revenue amount of around Rs. 3000 crores pending in various stages of litigation; Clarifying that 100% of undisputed tax will be payable,.prescribes the rate of tax payable under various Acts for disputed tax while stipulating the time frame to apply for the scheme (May 16 to June 30, 2022); Explains that, provisions of this scheme shall apply to all registered and unregistered dealers under the legacy acts, and for settlement of disputes under this Scheme, each year of assessment shall be a distinct unit; For the amounts payable higher than Rs. 25 lakhs, installment facility will be provided without interest up-to 4 equal monthly installments, and bank interest rates will be applied for those seeking more installments; Mandates that, appeal pending before the appellate authority or the Tribunal or the Court in respect of any order or notice, shall be withdrawn fully and un-conditionally by the Applicant: Telangana Government.

GOVERNMENT OF TELANGANA
ABSTRACT

Revenue (CT.II) Department – Commercial Taxes Department – Telangana One Time Settlement Scheme 2022 - Orders - Issued.

REVENUE (CT-II) DEPARTMENT

G.O.Ms.No. 45 **Dated: 09-05-2022**

Read:-

From the Commissioner of Commercial Taxes, Telangana, Hyderabad Letter dated: 07.04.2022.

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ORDER:-

In the letter read above the Commissioner of Commercial Taxes, Telangana, Hyderabad has informed that there is an arrear amount of around Rs. 3000 Cr pending in various stages of litigation and that this amount is not readily recoverable. In similar context, the state Governments of Maharashtra, Karnataka, Kerala, Bihar and West Bengal have introduced One Time Settlement scheme for disputed taxes. Therefore, the Commissioner of Commercial Taxes, Telangana Hyderabad has proposed a One-Time Settlement Scheme of Tax Arrears to release this locked up revenue and requested the Government for necessary orders in the matter.

After careful examination of proposal of the Commissioner of Commercial Taxes, Telangana, Hyderabad, the Government have decided to introduce a One Time Settlement Scheme to settle disputed tax under the legacy Acts such as Andhra Pradesh General Sales Tax Act, 1957, the Telangana Value Added Tax Act, 2005, the Central Sales Tax Act, 1956 and the Telangana Entry of the Goods into Local Areas Act, 2001 and hereby issued the following orders.

1. This scheme shall be known as The Telangana State One-Time Settlement Scheme 2022.
2. The provisions of this scheme shall apply to all registered and unregistered dealers under the Andhra Pradesh General Sales Tax Act, 1957, the Telangana Value Added Tax Act, 2005, the Central Sales Tax Act, 1956 and the Telangana Entry of the Goods into Local Areas Act, 2001.
3. For settlement of disputes under this Scheme, each year of assessment shall be a distinct unit.
4. 100% of undisputed tax will be payable.
5. (a) The following rates are applicable for disputed tax :

   i. Andhra Pradesh General Sales Tax - 40% of balance tax will be collected from dealer and remaining 60% of demand will be waived off.
   ii. Value Added Tax & Central Sales Tax – 50% of balance tax will be collected from dealer and remaining 50% of demand will be waived off.
   iii. Entry tax on Motor Vehicle & Goods – 60% of balance tax will be collected from dealer and remaining 40% of demand will be waived off.

   (b) For the dealers/ persons availing the above scheme, the interest & penalty shall be waived off.

   (c) No refunds will be given under this scheme.

   (d) The timeframe under the One Time Settlement is as follows:-

Sl. No	Particulars	Timeline
(1)	(2)	(3)
1.	Application to avail OTS	16.05.2022 to 30.06.2022
2.	Scrutiny of application for confirming the arrear & Intimation	1.07.2022 to 15.07.2022

3.	Submission of settlement letter by tax payer and payment of agreed amount	16.07.2022 to 15.08.2022

(e) The procedure to avail this scheme is as follows:

i. The One-Time Settlement of Tax Arrears will be executed through an online module.
ii. The dealer shall apply for this scheme through an online application. Where the dealer is no more in business, he can apply offline in the respective jurisdictional Circle/STU.
iii. The application shall be scrutinized by a (3) member committee consisting of AC(ST) of Circle, DC(ST) and JC(ST) of the Division. The committee shall send a confirmation letter to the applicant by accepting/rejecting/modifying the proposal of the applicant.
iv. On receipt of the confirmation letter, the applicant will make the payment and submit the payment details along with necessary documents and the application for withdrawal of appeal (wherever applicable).
v. The proceedings for settlement of balance tax, penalty and/or interest will be issued after realization of the total tax payable and disposal of the case as withdrawn by the respective legal forum.

6. For the amounts payable higher than Rs.25 lakhs, installment facility will be provided without interest up-to 4 equal monthly installments. Bank interest rates will be applied for those seeking more installments.

7. Notwithstanding anything contained in any provisions of the respective Acts, the appeal pending before the appellate authority or the Tribunal or the Court in respect of any order or notice, shall be withdrawn fully and un-conditionally by the applicant.

8. The Commissioner of Commercial Taxes, Hyderabad shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

SOMESH KUMAR
CHIEF SECRETARY &
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To:
The Commissioner of Commercial Taxes, Telangana State, Hyderabad.
The Accountant General, Telangana State, Hyderabad.
Copy to:
The Principal Secretary to Hon'ble Chief Minister (NR), Government of Telangana.
The P.S. to Chief Secretary to Government.
The P.S. to Special Chief Secretary to Government, Revenue (CT&Ex) Department.
Sf /Sc.

//FORWARDED : : BY ORDER//

SECTION OFFICER