LKS UPDATE

An e-update to clients from Lakshmikumaran & Sridharan

13 FEBRUARY 2023

INDIRECT TAX

Rajasthan : Amnesty Scheme, 2023

UPDATE NO. 17 OF 2023

Lakshmikumaran & Sridharan attorneys

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- Furthering its efforts to close legacy tax litigations, State Government has notified the Amnesty Scheme, 2023, in continuation of Amnesty Scheme, 2022
- Complete / partial waiver of tax / interest / penalty / late fee for outstanding demand / disputed amount under the following Acts (Specified Acts):
  - The Rajasthan Sales Tax Act, 1954
  - The Rajasthan Sales Tax Act, 1994
  - The Central Sales Tax Act, 1956
  - The Rajasthan Value Added Tax Act, 2003
  - The Rajasthan Tax on Entry of Goods into Local Areas Act, 1999
  - The Rajasthan Tax on Entry of Motor Vehicles into Local Areas Act, 1988
  - The Rajasthan Entertainments and Advertisements Tax Act, 1957
  - The Rajasthan Tax on Luxuries (in Hotels and Lodging Houses) Act, 1990
  - The Rajasthan Tax on Luxuries (Tobacco and its Products) Act, 1994

- Covers all pending disputes / outstanding demands at any stage in respect of any period up to 30.06.2017 under the specified Acts
- Not applicable to outstanding demands / disputed amounts w.r.t. the Rajasthan Value Added Tax Act, 2003 and the Central Sales Tax Act, 1956 qua the goods included under Entry 54 of the State List of the 7th Schedule to the Constitution, i.e. petroleum crude, high speed diesel, motor spirit / petrol, natural gas, aviation turbine fuel and alcoholic liquor for human consumption
- Cases falling under different categories provided with different benefits

- To be implemented in three phases with different benefits available in each phase, quantum of benefits lowered in each subsequent phase:

Phase-I	**Upto 30.06.2023**
Phase-II	01.07.2023 to 31.07.2023
Phase-III	01.08.2023 to 30.09.2023

- Failure to comply with conditions in one phase not to disentitle the applicant from benefits in subsequent phases: benefit of subsequent phase, in which conditions are complied, available
- Willingness to avail benefit under the Scheme to be communicated electronically separately for separate Act(s) as well as before separate Assessing Authorities.

- In response, the concerned Assessing Authority to convey details of pending demand(s), disputed amount, payment required to be made and consequent benefits accrued
- Pending adjustment / rectification / reassessment applications to be disposed off by Assessing Authorities on priority basis, on intimation from the dealer / person
- Application for withdrawal of pending cases to be submitted before the respective court / forum within the operative period of the Scheme
- No refund of any excess payment to be allowed
- Detailed procedure and clarification on the Scheme to be notified by the Commissioner, Commercial Taxes Department, Rajasthan [yet to be notified]

- Facility of payment in equal monthly installments also available:

Amount required to be deposited	Maximum number of installments
Up to 50 Lakh	4
More than 50 Lakh and Up to 1 crore	5
More than 1 crore	6

- First installment to be paid within 10 days from the day Assessing Authority conveys the final amount to be paid under the Scheme or last day of the phase, whichever is later. Where installment facility is availed, monthly payments to be made, which may last beyond the operative period of the Scheme.
- For declarations made under Amnesty Scheme, 2022:
  - Where dealer has opted for payment in installments and has paid any installment, such cases shall be governed under the provisions of the said scheme.
  - In all other cases, If any task pending, prior to the issuance of Scheme of 2023, willingness to be deemed to have been submitted under Phase-I of the current Scheme and procedure hereunder to be followed
  - Amount deposited, if any, under the said Scheme shall be adjusted against the amount required to be paid under the current Scheme.

POINTS TO PONDER

- Fresh lease of life given to declarations pending under the Amnesty Scheme, 2022?
- Entry Tax demands for Entry 54 goods covered under this Scheme only?

- Whether amounts already paid prior to the Scheme, for example amounts paid under protest etc., to be adjusted towards amount payable under the Scheme, or benefits available only for the remaining demand?
- Category pertaining to declaration forms covers 'outstanding demands' only, whether 'disputed amount' also covered?

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