

INDIRECT TAX

Reimbursement of State Tax to Hotel & Tour Operators : Rajasthan

UPDATE NO. 29 OF 2021



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exceeding expectations
SINCE 1985



NOTIFICATION NO. F.12(37)FD/TAX/ 2021-53 DATED 29.09.2021

- Reimbursement of State Tax due and deposited by hotels and tour operators, registered under the Rajasthan Goods and Services Tax Act, 2017
- Operative Period: 1 October 2020 – 30 June 2021
- Earlier similar scheme announced vide Notification dated 23 March 2020 expired on 30 September 2020
- Applicable to registered taxable person in the category of :
 - Hotels;
 - Heritage Hotels;
 - Resorts; and
 - Tour operators
- Not applicable for standalone restaurants and clubs
- Extent of reimbursement of State Tax due and deposited:

Period	Reimbursement
01.10.2020 – 31.03.2021	50%
01.04.2021 – 30.06.2021	75%

- State Tax due and deposited: SGST paid through electronic cash ledger after complete utilization of ITC of SGST & IGST.
- No reimbursement available for SGST leviable and paid on rental and leasing services including own or leased non-residential property (SAC 997212).
- No reimbursement, if beneficiary is found guilty of any kind of evasion in the preceding F.Y. i.e. 2019-20.
- Reimbursed amount, if availed wrongly, recoverable as arrears of State Tax with interest @ 18% and penalty equal to such wrongly availed amount.
- If entitlement certificate under RIPS-2003 and / or RIPS-2010 and / or RIPS-2014 and / or RIPS-2019 issued to applicant, reimbursement to be reduced to the extent of benefits available under the said scheme(s).

- Chief Commissioner, State Tax, to issue guidelines for application and procedure for implementation of the scheme.



Points to ponder:

- Interpretation of 'due and deposited' in terms of operative period of the scheme, whether tax should be both 'due' and 'deposited' within the operative period?
 - Reimbursement of State Tax paid under RCM?
 - Interpretation of the phrase 'found guilty' during FY 2019-20?
 - No outer time-limit for recovery of wrongly availed reimbursement.
 - Adjustment of RIPS benefit: benefit actually credited during the relevant period or arising during the relevant period to be adjusted?
-

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