

Telangana Government proposes One-Time Settlement Scheme 2022 to settle disputed taxes w.r.t. pre-GST regime

The Commissioner of Commercial Taxes, Telangana has proposed One-Time Settlement Scheme of Tax Arrears 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. This scheme shall be known as 'The Telangana State One-Time Settlement Scheme 2022 (OTS Scheme)'.

Key features of the OTS Scheme:

- The provisions of the 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
- Each assessment year shall be considered as a distinct unit for settlement of disputes
- 100% of undisputed tax will be payable
- Interest and penalty shall be waived for persons availing the scheme
- Refunds shall not be given under the scheme

• Timeframe for availing the scheme:

Particulars	Timeline
Application to avail OTS	16 May 2022 to 30 May 2022
Scrutiny of application for confirming the arrear & Intimation	1 July 2022 to 15 July 2022
Submission of settlement letter by taxpayer and payment of agreed amount	16 July 2022 to 15 August 2022

• The scheme sets out the following rates for disputed tax:

Tax	Collection from Dealer	Waiver
Andhra Pradesh General Sales Tax	40% of balance tax	Remaining 60% of demand
Value Added Tax and Central Sales Tax	50% of balance tax	Remaining 50% of demand
Entry tax on motor vehicle and goods	60% of balance tax	Remaining 40% of demand

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- **Procedure to apply for scheme:**

- The scheme shall be executed through an online module

- The application shall be made online. However, in case dealer is no more in business, then offline application can be filed to the respective Jurisdictional Circle/STU

- The application shall be scrutinized by a three-member committee consisting of AC(ST) of Circle, DC(ST) and JC(ST) of the Division who shall send a confirmation letter by accepting/rejecting/ modifying the proposal

- Payment shall be made upon receipt of confirmation letter and submission of such payment details along with relevant documents

- The proceedings for settlement of balance tax, penalty and/or interest will be issued after realisation of the total tax payable and disposal of the case as withdrawn by the respective legal forum

- **Instalment facility:** Without interest (up to four equal monthly instalments) in case the amounts payable is higher than INR 25 lakh. In case applicant seeks more instalments, bank interest rates will be applied

- 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.

