### Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2022

#### **Background**

The Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2022 shall come into force on the 1 April 2022. This Act is introduced to provide for settlement of arrears of tax, interest, penalty or late fee which were levied, payable or imposed, respectively during period ending on or before the 30 June 2017 under various Acts administered by the GST Department and for the matters connected therewith or incidental thereto.

#### **Eligibility for settlement**

Any applicant (whether registered or not under the Relevant Act) including applicant who has availed benefits under any of the Amnesty Schemes. Cases litigated by the State are also eligible for settlement.

# Adjustment and determination of arrears of tax, interest, penalty or late fee, eligible for settlement

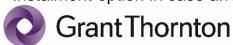
Any payment made on or before the 31 March 2022 shall be adjusted in following manner:

- un-disputed tax
- disputed tax
- interest and
- penalty and the late fee, sequentially.

Post this, amount remaining outstanding as on the 1 April 2022 or any demand raised for the specified period during the period from 1 April 2022 to 30 September 2022 shall be considered for the settlement.

#### **Payment options**

- One Time Payment option.
- Instalment option in case arrears > INR 50 lakhs



#### Other key aspects

- Any arrears amounting to INR 10000 or less per financial year as on the 1 April 2022 along with post assessment interest shall be written off.
- Separate application for each class of arrears for each financial year along with proof of payment shall be submitted.
- A delay of upto thirty days may be condoned in case the applicant could not apply within time however has already paid requisite amount.
- The payment made on or before the 31 March 2022 shall not be considered as a payment towards the requisite amount.
- The applicant shall not be entitled to any waiver in respect of undisputed tax.
- In case payment made is less than the requisite amount, the designated authority shall compute the proportionate amount of waiver admissible in proportion to the requisite amount paid by the applicant.



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#### **Relevant timelines**

Particulars	Time period  1 April 2022 to 14 October 2022  One-time payment option- 1 April 2022 to 30 September 2022.  Instalment option- Minimum 25% during the period 1 April 2022 to 30 September 2022. Remaining amount in 3 equal quarterly instalments from the date of the application, failing which, interest at 12% p.a. would apply. All instalments to be paid within 9 months from the date of the application.		
Submission of application			
Duration of the payment			
Passing of order	One Time Payment option- 3 months from the last date specified for payment Instalment option - 3 months from the date specified for payment of last instalment of the requisite amount		
Application for rectification of error	60 days from the receipt date of order		
Rectification of error by authorities	6 months from the date of the receipt of the order by the applicant		
Appeal	60 days from the order date		
Review of Order	12 months from the date of service of order		
Revocation of order of settlement	2 years from the end of the financial year in which the order of settlement has been served		
Power to remove difficulty.	One year from the date of commencement of this Act.		





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One-time payment option*	Instalment option		
Amount to be paid (remaining waived off) for arrears			
Up to 31 March	1 April 2005 to	Up to 31 March 2005	1 April 2005 to 30 June
2005	30 June 2017 2017		2017
30%	50%	34%	56%
100%	100%	100%	100%
10%	15%	10%	15%
5%	5%	5%	5%
Nil (100% waiver)	Nil (100% waiver)	Nil (100% waiver)	Nil (100% waiver)
Not applicable	5%	Not applicable	5%
	option*  Up to 31 March 2005  30% 100%  10% 5%  Nil (100% waiver)	Amount to be paid ( Up to 31 March	Option*         Amount to be paid (remaining waived off) for arread up to 31 March 2005           Up to 31 March 2005         1 April 2005 to Up to 31 March 2005           2005         30 June 2017           30%         50%         34%           100%         100%         100%           10%         15%         10%           5%         5%         5%           Nil (100% waiver)         Nil (100% waiver)         Nil (100% waiver)

<sup>\*</sup> Lumpsum payment where arrears involve 10 lakh - 20% of the arrears to be paid under one Time Payment option



