

Government of Goa notifies The Goa (Recovery of Arrears of Tax, Interest, Penalty, Other Dues through Settlement) Act, 2023

The government of Goa has notified The Goa (Recovery of Arrears of Tax, Interest, Penalty, Other Dues through Settlement) Act, 2023, for settling outstanding tax dues pertaining to the period before the introduction of the Goods and Services Tax (GST) which is effective from 8 September 2023.

Key features of the scheme:

Enactments covered: Expeditious enforcement of payment of arrears of tax, penalty and/or interest in respect of the period of assessment up to 30 June 2017 under the following Acts, also known as relevant acts:

The Central Sales Tax Act, 1956	The Goa Entertainment Tax Act, 1964
The Goa Sales Tax Act, 1964	The Goa Tax on Luxuries Act, 1988
The Goa Tax on Entry of Goods Act, 2000	The Goa Value Added Tax Act, 2005 (Goa VAT Act)

Eligibility criteria: The following cases shall not be eligible under the scheme:

- Cases where the Appellate or Revisional Authority or Court has remanded the case back to the assessing authority for fresh assessment and such assessment has not been completed up to this Act's commencement date.
- Cases that have been assessed or reassessed u/s 31 or 31A of the Goa VAT Act pursuant to action u/s 73 of the Goa VAT Act, shall not be eligible for adjustment of arrears.
- A disputed and pending case in appeal shall be eligible for settlement under the category of disputed cases only if such appeal is filed within the prescribed limitation period or an extended limitation period and is accompanied by the pre-deposit.

- Cases that have been settled under the Goa (Recovery of Arrears of Tax through Settlement) Act, 2009, shall not be re-opened, except in the case where the application for settlement has been rejected on merits or for non-payment of the settlement amount in time or for any other reason, and in such case, the applicant shall be eligible to submit a fresh application.

Settlement fee and waiver amount:

Reason of arrears	Waived amount	Settlement fees
Non-submission of declaration form or declaration certificate	100% waiver of interest and/or penalty imposed	80% of arrears of tax shall be waived after the adjustment of forms or declaration certificate submitted till the date of application under the scheme
Order of assessment and where no review, appeal, or revision is preferred		
Order of assessment is disputed, either in review or appeal or in revision, or in any other suit or writ petition	100% waiver of interest and/or penalty imposed	50% of arrears of tax shall be waived after the adjustment of forms or declaration certificate submitted till the date of application under the scheme
Order of assessment or reassessment u/s 31 or 31A of the Goa VAT Act pursuant to action u/s 73 of the Goa VAT Act, whether disputed or not	100% waiver of interest	100% of the tax arrears and 50% of the penalty imposed.
The arrear of tax is less than INR 10,000/-	100% waiver of tax, interest and/or penalty	No settlement amount to be paid
A certificate of settlement is issued	The entire post-assessment interest shall be waived off	

Other key aspects:

- An application shall be made online through an electronic system after one month but before the expiry of six months from this Act's commencement date. A separate application is to be made for each year.
- The application shall be accompanied by self-attested challans of pre-deposit at the rate of 10% of the settlement amount or INR 15 lakhs, whichever is lower.
- No application is required to be filed where an amount of tax in arrears for a financial year is below INR 10,000
- The application can be withdrawn within six months from the date of submission of such application or within one month from the date of receipt of the letter of intimation. However, no refund shall be granted for the pre-deposit paid while applying under the scheme.
- Set-off mechanism to be adopted where the applicant whose appeal is pending before the Appellate Authority under the relevant Act or before the Tribunal and had paid some amount u/s 35(4) or 36(2) of the Goa VAT Act:

Amount paid as on filing appeal	Eligible for set-off or not
10% or 50% of the disputed amount of tax	Yes
10% or 50% of the disputed amount of interest and penalty	No
10% or 50% of the disputed amount of penalty	Yes, set-off is allowed for the settlement amount of penalty, but the balance amount should not be refunded
10% or 50% of the disputed amount of interest	No, set-off against the settlement amount of tax and shall not be refunded

- Where 10% or 50% of the disputed amount of tax is paid, along with the appeal, and there is no further amount payable for settlement, then the authority shall issue a **certificate of settlement** to the applicant, and the applicant shall be discharged from his liability.
- Also, in cases where any appeal or application for review/revision/rectification is not filed under the provisions of the relevant Act, the applicant shall not be eligible for a refund of any penalty or interest already paid, either in full or in part.