

# Settlement of disputes

The West Bengal Sales Tax (Settlement of Dispute) Act, 1999 as amended till date.

**T** Tax  
**I** Interest  
**P** Penalty  
**L** Late fee



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# Acts covered under this SOD Act (relevant Acts)

- ❑ BENGAL FINANCE (SALES TAX) ACT, 1941
- ❑ BENGAL RAW JUTE TAXATION ACT, 1941
- ❑ WEST BENGAL SALES TAX ACT, 1954
- ❑ CENTRAL SALES TAX ACT, 1956
- ❑ W.B. MOTOR SPIRIT SALES TAX ACT, 1974
- ❑ WEST BENGAL SALES TAX ACT, 1994
- ❑ WEST BENGAL VALUE ADDED TAX ACT, 2003
- ❑ THE WEST BENGAL TAX ON ENTRY OF GOODS INTO LOCAL AREAS ACT, 2012



# Arrear tax, penalty, late fee or interest in dispute

Sec. 2(1)(a): “arrear tax, penalty, late fee or interest in dispute” means -

- (i) tax, by whatever name called, which is payable by an assessee under the relevant Act, or
- (ii) penalty imposed or which can be imposed upon an assessee due to late payment or non-payment of tax as mentioned in sub-clause (i), or for default in furnishing return in accordance with the provisions of the relevant Act, or
- (iii) penalty imposed or which can be imposed upon an assessee in cases other than cases mentioned in sub-clause (ii) in accordance with the provisions of the relevant Act; or
- (iv) late fee which is payable by an assessee under the relevant Act, or
- (v) interest which is payable by an assessee under the relevant Act,

which, as the case may be, is in dispute in any proceeding including audit, special audit, assessment, appeal, revision or review or for recovery of arrears of dues, reduced by, any deposit already made as per provisions of the relevant Act for entertainment of any appeal or revision thereunder, and/or any amount already paid, whether by way of deposit, security or otherwise, in terms of any order passed by any court or tribunal, or otherwise, and/or any amount recovered through any recovery proceedings including any garnishee proceeding, under the relevant Act, and pending before any authority on the 10th day of February, 2023

# Definition of Applicant extended

“applicant” means-

- ✓ a dealer”
  - ✓ a “transporter, carrier or transporting agent”\*
  - ✓ an “occupier of a jute mill” or a “shipper of jute”
- AND includes-
- ✓ legal heir, successor, assignee or nominee of such dealer, transporter etc. where the business of such dealer, transporter etc. has ceased to exist or has been discontinued
  - ✓ in case of Entry tax, a dealer or an importer other than a dealer

[\* sec.2(b) substituted to include transporter as an applicant]

# What is the scheme?



Application for SOD can be filed in respect of -

Any case pending.....



on or before 10.02.2023

for any period .....



up to 30.6.2017

case initiated/order or notice issued....



by any authority

dispute in.....



arrear tax, interest, late fee and penalty

If the case has been referred to  
CO/TRO on or before  
10.02.2023

If prosecution is  
instituted, no  
application for SOD  
can be filed.



# What is the scheme?

Rule 2(a): “case pending” in simple terms means -

A case which is pending..



on 10.02.2023

For which.....

- (i) An audit, special audit or assessment has been made; or
- (ii) An appeal, revision or review petition has been filed; or
- (iii) A revision or review proceeding has been initiated; or
- (iv) A notice or order has been issued intimating the applicant for payment of tax, interest, late fee or penalty; or
- (v) A notice has been issued in any proceedings under the relevant Acts proposing payment of tax, interest, late fee or penalty;
- (vi) Also include a case in respect of entry tax whether or not the applicant is in possession of any evidence of a notice or order issued.

# What is the scheme?

**Matters pending  
before the  
WBTT/High  
Court/  
Supreme Court**



- Any case for a period up to 30.06.2017
- Case pending on or before 10.02.2023
- No prosecution has been instituted
- Leave of Court to be produced with the application or within 2 months of filing of application/such further time as may be allowed
- In cases where order has been passed before filing of application but after 10.02.2023, the applicant shall attach copy of order in lieu of Leave of Court with Form 1.



# Amount payable to settle a case involving tax in dispute (other than entry tax)?

Arrear Tax in respect of:

- admitted tax in return or in writing [s.7(1)(a)(ia)]



100%

Arrear Tax in dispute in respect of:

- non-furnishing of CER/ DFs [s.7(1)(a)(i)]



15%

of remaining balance of arrear tax in dispute

- all other tax in dispute [s.7(1)(a)(ii)]



15%

Interest in dispute for -

- any case [s.7(1)(b)]



Waived

Penalty in dispute for [s.7(2)(a)]:

- late/non-payment of tax
- default in furnishing return



Waived

Late fee in dispute for [s.7(1)(ab)]:

- any case



0%

Arrear penalty in dispute for [s.7(1)(ac)]:

➤ cases other than return related penalty

[For example cases u/s 77, 96, 66AA of VAT Act]



of arrear penalty in dispute

OR

Rs. 15000/-

whichever is lower

The provision for settlement of penalty case u/s 2(1)(a)(iii) (other than return-related penalty) has been re-positioned under section 7(1)(ac) in place of section 7(2)(b)

# What is the scheme for entry tax?

Arrear Tax in dispute in respect of:

➤ Entry tax [s.7(1)(aa)(i)]



50%

Interest in dispute for -

➤ any case [s.7(1)(b)]



Waived

Late fee in dispute for [s.7(1)(aa)(ii)]:

➤ Entry tax



0%

All types of Penalty in dispute for [s.7(2)(a) & (c)]:

➤ Entry tax (other than return related)



Waived

# Calculation of arrear tax, penalty, late fee or interest in dispute

<b>Calculation of arrear tax, penalty, late fee or interest in dispute [Example-I]</b>			
<b>Amount of Tax disputed in appeal other than Form/certificate</b>	<b>Tax deposited @ 15% in appeal</b>	<b>Arrear tax in dispute [1-2]</b>	<b>Amount of tax to be paid for filing SOD [15% of Arrear tax in dispute]</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
10,000	1,500	8,500	1,275

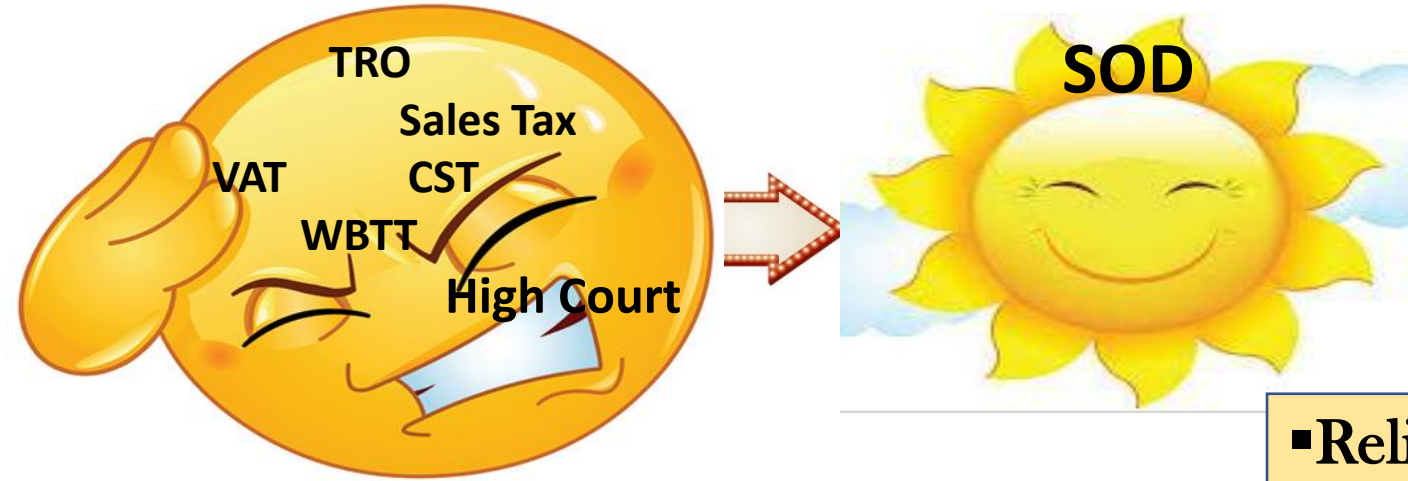
# Calculation of arrear tax, penalty, late fee or interest in dispute

Calculation of arrear tax, penalty, late fee or interest in dispute [Example-II]						
Turnover of sales etc. (excluding tax) for which C-Forms were not produced in assessment	Tax demanded for non-furnishing of C-Forms (full rate of tax is 14.5%) Differential rate (14.5-2)= 12.5%	Amount deposited for filing appeal (15% of the tax demanded)	Turnover of sales etc. for which C-Forms have been received after assessment (Statement to be furnished)	Remaining balance of tax in dispute for non-furnishing of C-Forms [(1) - (4)] X 12.5%	Remaining balance of arrear tax in dispute [(5) - (3)]	Tax to be paid for SOD [15% of (6)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)
4000	500	75	3000	125	50	7.5

# Calculation of arrear tax, penalty, late fee or interest in dispute

Calculation of arrear Penalty (other than return related penalty) in dispute				
Amount of Penalty as per order/disputed in appeal	Penalty paid/recovered till 14.04.2023	Deposited as per order of Tribunal till 14.04.2023	Arrear penalty in dispute [(1)-{(2)+(3)}]	Amount to be paid for SOD [2% of (4)] or Rs.15,000/-, whichever is lower
(1)	(2)	(3)	(4)	(5)
2,00,000	10,000	30,000	1,60,000	3,200

# Benefits?



Just pay 15% of Arrear Tax in dispute and settle the case.  
Relief of **85%** of tax.

- Relief of 100% penalty relating to non/short-payment of tax or non-furnishing of return.

- Relief of 100% Interest
- Relief of 100% Late fee
- Relief of 98% of standalone Penalty\*  
(\* Maximum amount payable 15000/-)

- Reduce burden of proceedings pending before different authority including CO/TRO/WBTT/HC/SC



Download **Form 1** available in the SOD Tile in the website  
[www.wbcomtax.gov.in](http://www.wbcomtax.gov.in)

Fill up the **Form** and **pay\*** the amount of tax/penalty payable (through  
GRIPS Portal)

Generate Reference Number through the link provided in SOD Tile

Print the Acknowledgement generated

Apply manually in **Form 1** in Duplicate

\*For payment of tax/penalty under the BF(ST) Act, Bengal Raw Jute Taxation Act, WBST Act, 1954 & Motor Spirit Sales Tax Act- select the option "SST" from the drop-down menu



# Designated authority (to whom application to be made)

Sl. No	Dispute Related to	Cases pending as on 10.02.2023 or before	Designated Authority
1.	Arrear tax, interest and late fee pending in Appeal/Revision/ Review & Penalty cases other than 2 pending in Appeal/Revision/ Review	Circle	Addl. CCT/Sr. JCCT/JCCT of Circle
		Large Taxpayer Unit	Spl. CCT/ Addl. CCT/Sr. JCCT of Large Taxpayer Unit
2.	Penalty related to violation of provisions for movement of goods initiated by BOI/Range/CS	Bureau of Investigation/ Range/Central Section	Addl. CCT/Sr. JCCT /JCCT of BOI/Zones of BOI
3.	All other cases, other than at serial nos. 1 & 2 above	Charge /Large Taxpayer Unit/ BOI/Range/Central Section	Jurisdictional Assessing Authority of the Charge/ LTU

In those cases where Appeal/Revision/Review applications have been disposed after 10.02.2023 but before filing SOD applications, the said applications to be presented before designated authority referred to in col. 3 of sl. no. 1.

# Important Points regarding Application

- Separate application to be filed for each case [S.5(2)].
- Concerned order/notice etc. to be attached [Please see sl. No. 19 of Form 1]
- Application to cover entire dispute of a case and not a part of dispute [S.7 Exp.III]
- No court fee is required for making an application.
- Payment for settlement (if required) to be made before filing application and details of payment to be furnished in the application [S.6]
- Wherever applicable, leave from Tribunal/Court or receipt of application made for obtaining leave is required to be furnished along with Form 1
- Leave is required to be furnished **within 2 months** from the date of application or within such further date as may be provided

# Important Points regarding Application

- Provisional Certificate in Form 2 becomes final, if no Notice in Form 3 is issued [S.8(1)]
- Settlement of dispute may be refused for reasons to be recorded in writing [S.8(2)]
- Settled cases can be revoked only in a case where SOD is done by suppressing of fact or providing false information [S.12]
- In settled cases Appeal/Revision is deemed to be withdrawn by the applicant from the date of filing of Form 1 [S.10]
- In case of revocation/refusal of settlement, Appeal/Revision shall stand restored immediately and shall be disposed of under the relevant Act [S.12]
- Designated authority to keep Assessing/ Appellate/ Revisional authority / CO/ TRO informed by issuing Form 4 within 7 days [S.13 & r.8]

# Time Limit and Forms to be issued

<b>Period of dues</b>	<b>Upto 30.6.2017</b>
<b>Pending before any authority</b>	<b>On or before 10.02.2023</b>
<b>Cases referred to CO/TRO</b>	<b>Upto 10.02.2023</b>
<b>Leave to be produced in case of WBTT/HC/SC</b>	<b>With application or within 2 months from date of application</b>
<b>Last date of filing application for SOD</b>	<b>31.05.2023</b>
<b>Form 2 (Provisional Certificate)</b>	<b>Within 15 working days</b>
<b>Form 3 (in case of discrepancy)</b>	<b>Within 3 months following the month of application</b>
<b>Reply against Form 3</b>	<b>Within 15 days of receipt of Form 3</b>
<b>Form 3A/order of refusal</b>	<b>After expiry of time allowed in Form 3 or extended further</b>
<b>Communication in Form 4</b>	<b>Ordinarily within 7 days of Application received/ Order passed u/s 8/ Revocation of certificate of settlement u/s 12</b>

**THANK YOU**

**DIRECTORATE OF COMMERCIAL TAXES  
GOVERNMENT OF WESTBENGAL**