

DISPUTE RESOLUTION SCHEME SERVICE TAX & EXCISE

Sabka Vishwas
(Legacy Dispute Resolution)
Scheme 2019
As proposed by Budget 2019

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SERVICE TAX & CENTRAL EXCISE

SABKA VISHWAS

(LEGACY DISPUTE RESOLUTION) SCHEME, 2019

Highlights

- Applicable to Service Tax, Central Excise and various Central Indirect Cesses.
- Relief through the Scheme
 - Waiver of **TAX LIABILITY UPTO 70%** of the tax payable
 - Waiver of **100% INTEREST** Payable
 - Waiver of **ALL PENALTIES**, late fees.
(Refer **Table 1** for details for different cases)
- Available to everyone except few cases (**Refer Table 2**)
- Mainly applicable to cases where Show Cause Notices are issued or order is passed or appeal is preferred. Even if not covered in above, voluntary declaration can be made and benefit of waiver of interest and penalty may be availed.
- Tax dues declared will be verified by the Designated Committee which will determine liability and will issue statement of liability within 60 days from declaration.
- Such liability will have to be discharged within 30 days from the date of issuance of such statement.
- On payment of tax dues as stated in the statement, a discharge certificate will be issued within 30 days from the date of the said payment and production of proof.
- Amount paid under the scheme shall not be refunded under any circumstances. No Input Tax Credit will be available for such payment.
- Forms and Rules to be prescribed.

TABLE 1 : RELIEF FROM TAX

Sr.	Situation	Amt. of Relief where Amount of Tax is	
		upto Rs. 50 Lacs	above Rs. 50 Lacs
1	Tax dues are related to Show Cause Notice	70% of Tax Dues	50% of Tax Dues
2	Show Cause Notice is only for Penalty or Late Fees	Entire Penalty and Late Fees	Entire Penalty and Late Fees
3	Tax dues are related to amount of arrears	60% of Tax Dues	40% of Tax Dues
4	Tax dues are related to returns filed and dues declared therein but not paid	60% of Tax Dues	40% of Tax Dues
5	Tax dues are related to Inquiry/Investigation/Audit	70% of Tax Dues	50% of Tax Dues
6	Tax dues declared voluntarily by declarant	0% of Tax Dues	0% of Tax Dues
7	Penalty for all above	100%	100%
8	Interest for all above	100%	100%
9	Prosecution for all above	No Prosecution	No Prosecution
10	Reopening of matter and for same time period	No Reopening	No Reopening

TABLE 2 : ELIGIBILITY OF SCHEME

Sr.	Situation	Eligible for Scheme?
1	Return Filed with tax due declared therein but not paid	No
2	Return filed without declaring tax dues	Yes
3	Before Audit/Inquiry/Investigation	Yes
4	After Audit/Inquiry/Investigation but tax is not determined till 30/06/2019	No
5	After Audit/Inquiry/Investigation but tax is determined till 30/06/2019	Yes
6	Show Cause Notice has been issued but final personal hearing has not taken place till 30/06/2019	Yes
7	Show Cause Notice has been issued but final personal hearing has taken place till 30/06/2019	No
8	Order in Original issued but appeal is not yet filed	Yes
9	Appeal has been filed against Order in Original but no final hearing has taken place till 30/06/2019	Yes
10	Appeal has been filed against Order in Original and final hearing has taken place till 30/06/2019	No
11	Order in Appeal has been issued	Yes
12	Person convicted for offence punishable under Service Tax/Excise Law	No
13	Show Cause Notice is issued for erroneous refund	No
14	If person has filed an application in Settlement Commission	No
15	Declarations with respect to excisable goods set forth in Fourth Schedule to the Central Excise Act, 1944 (Tobacco and Petroleum Products)	No