

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
ODISHA, CUTTACK

4820
27.03.2017

REV-17/1/2017-REV-CCT

CIRCULAR

Sub: Levy of Interest on a Tax Demand for the Period the Demand Remained Sub-Judice

It has come to the notice of the undersigned that, while calculating arrear tax, some assessing officers are not levying interest on tax demands for the period the demands remained sub-judice before the 1st Appeal Authority/ Hon'ble OSTT/ Hon'ble High Court / Hon'ble Supreme Court.

In this regard, you are hereby impressed upon that levy of interest on the tax demand is mandatory as per Section 50 & 59 of the OVAT Act. However, depending on the situation, levy of interest on the tax demand for the sub-judice period shall be calculated as given below.

Situations	Levy of interest
If the demand made in the assessment order is confirmed by appellate authority/ HC/SC	Interest is to be calculated from the date the demand had fallen due i.e. expiry of 30 days of receipt of original assessment order alongwith Demand Notice by the dealer.
If the demand made in the assessment order is enhanced by appellate authority/ HC/SC	(i) Interest is to be calculated <i>in respect of the original demand</i> as above. (ii) Interest on <i>enhanced demand</i> shall be calculated from the date the enhanced demand falls due i.e. expiry of 30 days of receipt of revised Demand Notice issued in pursuance of the order of the appellate authority/ HC/SC (as the case may be)
If the demand made in the assessment order is reduced by appellate authority/ HC/SC	Interest on reduced amount shall be calculated from the date of expiry of 30 days of receipt of original Assessment Order and Demand Notice by the dealer.

Yours faithfully

Commissioner of Commercial Taxes
Odisha, Cuttack

Dated 27.03.2017

Memo No 4821 /CT,

Copy forwarded to JCCTs (All Territorial Ranges) and DCCTs/ACCTs (All Circles) for information and necessary action.

Spl. Commissioner of Commercial Taxes
(Revenue)