

Compendium of Circulars

No. *29082* FIN-CTI-TAX-0005-2015

GOVERNMENT OF ODISHA

FINANCE DEPARTMENT

RESOLUTION

The *28/10/* 2016.

Subject: Write off of arrears up to Rs.5000.00 relating to the repealed OST Act,1947 and OAST Act,1975.

A large number of disputes relating to collection of Arrear Sales Tax dues, penalty and interest under the repealed Odisha Sales Tax Act, 1947 and the repealed Odisha Additional Sales Tax Act, 1975 has been pending at different forum involving huge amount of outstanding arrear. Various efforts are being made time and again for collection of more revenue by settlement of arrear cases. It is found that quite a large number of old arrear sales tax cases involving very small amount are pending since long. The cost of recovery of such arrears through tax recovery proceedings under the statute would be more than the amount of arrear.

There are 36957 number of outstanding irrecoverable arrear cases below Rs.5000/- in each case under the OST Act, 1947 amounting to Rs.4,35,88,389/- for the years 1956-57 to 2010-11. Settlement of such large number of arrear tax cases involving a meagre amount of Rs.4.36 crore through tax recovery procedure under the statute is quite futile in comparison to man hours spent/required for the purpose. On the other hand, if such effort is directed in high stake arrear cases, the state would collect quite a large amount of arrear revenue. Hence a proposal to write off all such petty old arrear sales tax case was mooted with a view to reduce the volume of work load of the tax recovery cell and the tax recovery cell with existing manpower resources would concentrate in high-stake arrear cases which would help in better collection of arrear tax revenue.

After careful consideration of the matter, Government have been pleased to write off irrecoverable arrears up to Rs. 5000/- per case relating to OST Act, 1947 and OAST Act, 1975 except the arrear cases of dealers who are presently continuing their business under the Odisha VAT Act, 2004.

Order - Ordered that the Resolution be published in an extraordinary issue of the Odisha Gazette.

By order of the Governor



(T.K. Pandey)

Principal Secretary to Government