

# **Bihar Settlement of Taxation Disputes Act, 2015**

BIHAR

India

## **Bihar Settlement of Taxation Disputes Act, 2015**

### **Act 14 of 2015**

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Bihar Settlement of Taxation Disputes Act, 2015(Bihar Act 14 of 2015)[Dated 19.8.2015]Preamble : -  
An Act to provide for settlement of disputes arising from proceedings under Part I of the Bihar Finance Act, 1981 (Bihar Act 5 of 1981) [as its stood before it's repeal by section 94 of the Bihar Value Added Tax Act, 2005 (Act 27 of 2005)] and disputes arising from proceedings till financial year 2010-11 under the Bihar Value Added Tax Act, 2005 (Act 27 of 2005), the Central Sales Tax Act, 1956 (Act 74 of 1956), the Bihar Taxation on Luxuries in Hotels Act, 1988 (Bihar Act 5 of 1988) the Bihar Entertainment Tax Act, 1948 (Bihar Act XXXV of 1948), the Bihar Electricity duty Act, 1948 (Bihar Act 36 of 1948) and the Bihar Tax on Advertisement Act,2007.Be it enacted by the Legislature of the State of Bihar in the Sixty sixth year of the Republic of India as follows:-

### **1. Short title, extent, commencement and eligibility criteria.**

(1)This Act may be called the Bihar Settlement of Taxation Disputes Act, 2015.(2)It shall extend to the whole of the State of Bihar.(3)It shall come into force at once and effective upto three months from the date of its notification.(4)It shall be applicable to all such disuputes arising out from the proceedings under the law till the financial year 2010-11 and application for settlement of dispute shall be furnished before fifteen days of the expiry of the Act and payament of settlement amount shall be deposited till the expiry of the Act.

## **Chapter I Preliminary**

### **2. Definitions.**

- In this Act, unless otherwise requires in the context -(a)"admitted tax" means the amount of tax admitted as being payable in the returns filed by the party under the law;(b)"appeal" means an appeal under the law pending before the Joint Commissioner of Commercial Taxes (Appeal) or the

Deputy Commissioner of Commercial Taxes (Appeal) appointed and having territorial jurisdiction under section 9 of the Bihar Finance Act, 1981, Part I or section 10 of the Bihar Value Added Tax Act, 2005;(c)"assessed tax" means tax determined as being payable under an order of assessment or reassessment under the law;(d)"dispute" means an appeal, revision, review, reference, Writ Petition or Special Leave Petition arising out of any order passed under the law and pending before, as the case may be, the following: -(i)the Joint Commissioner of Commercial Taxes (Appeal) or the Deputy Commissioner of Commercial Taxes (Appeal),(ii)the Joint Commissioner of Commercial Taxes (Administration),(iii)the Commissioner of Commercial Taxes,(iv)Commercial Taxes, Tribunal,(v)the High Court,(vi)the Supreme Court of India, and includes,(1)a levy of tax, interest or penalty by an authority appointed or prescribed or authorized under the law or,(2)a proceeding for recovery of tax, interest or penalty initiated by or pending before any authority appointed or prescribed or authorised under the law or the Bihar and Orissa Public Demand Recovery Act, 1914;(e)In respect of a dispute "disputed amount" means, any tax, interest or penalty which is not admitted as being payable by the party;(f)"form" means a form appended to this Act ;(g)"law" means Part I of the Bihar Finance Act, 1981 (Bihar Act 5 of 1981) [as its stood before its repeal by section 94 of the Bihar Value Added Tax Act, 2005 (Act 27 of 2005)], the Bihar Value Added Tax Act, 2005 (Act 27 of 2005), the Central Sales Tax Act, 1956 (Act 74 of 1956), the Bihar Taxation on Luxuries in Hotels Act, 1988 (Bihar Act 5 of 1988) the Bihar Entertainment Tax Act, 1948 (Bihar Act XXXV of 1948), the Bihar Electricity Duty Act, 1948 (Bihar Act 36 of 1948) and Bihar Tax on Advertisement Act,2007.(h)"party" means a person who files an application under this Act for settlement of any dispute;(i)"Act" means the Bihar Settlement of Taxation Disputes Act, 2015;(j)"prescribed authority", for the purposes of this Act, means:(i)In respect of any appeal pending, the Joint Commissioner of Commercial Taxes (Appeal) or the Deputy Commissioner of Commercial Taxes (Appeal), before whom appeal is pending;(ii)the Commissioner of Commercial Taxes, in respect of any revision petition pending before the Commissioner or before the Tribunal or in respect of any Writ Petition or reference pending before any High Court or any Special Leave Petition pending before the Supreme Court of India,(iii)the Joint Commissioner of Commercial Taxes (Administration) Incharge of the concerned Division, in any other case;(k)"revision" means a petition for revision under the law pending before the Commissioner of Commercial Tax appointed under section 9 of Part I of the Bihar Finance Act, 1981 or section 10 of the Bihar Value Added Tax Act, 2005 or Tribunal under the Act ;(l)"settlement amount" means the amount upon payment of which the dispute shall be settled;(m)"Tribunal" means the Commercial Taxes Tribunal constituted under section 8 of Part I of the Bihar Finance Act, 1981 or section 9 of the Bihar Value Added Tax Act, 2005(n)"turnover returned" means the gross turnover recorded in the returns filed by the party under the law;(o)other expressions not defined herein shall have the meanings respectively assigned to them under the law.

## Chapter II

### Settlement of Disputes

### 3. Settlement amount.

(1) where the dispute relates to proceeding till financial year 2004-05, the settlement amount shall be at the rate specified in column (3) or (4) or (5) of the amount of dispute as mentioned in column (2) of the Table- I, and where the dispute relates to proceeding from financial year 2005-06 to financial year 2010-11, the settlement amount shall be as per Table-II below :-Table- I

Sl. No.	Amount of arrear in dispute	On payment made within one month from the date of commencement of this Act	On payment made after one month but before expiry of two months from the date of commencement of this Act	On payment made after two months from the date of commencement of this Act, till the expiry of this Act
1	2	3	4	5
1	Dispute arising out of non-submission of Form-IXC or Form IX in support of any claim preferred under Part I of the Bihar Finance Act, 1981.	Ten percent of disputed amount of tax.	Ten percent of disputed amount of tax.	Ten percent of disputed amount of tax.
2	Where the amount of arrear tax in dispute does not exceed Rs. 10,00,000 (Ten Lakh) other than mentioned in Sl.No. 1.	Twenty three percent of arrear tax in dispute	Twenty four percent of arrear tax in dispute	Twenty five percent of arrear tax in dispute
3	Where the amount of arrear tax in dispute exceeds Rs. 10,00,000 (Ten Lakh) but does not exceed Rs. 1,00,00,000 (one crore) other than mentioned in Sl. No. 1.	Rs. 2,30,000 (Two Lakh thirty thousand) plus thirty percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 10,00,000 (Ten Lakh).	Rs. 2,40,000 (Two Lakh forty thousand) plus thirty one percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 10,00,000 (Ten Lakh).	Rs. 2,50,000 (Two Lakh fifty thousand) plus thirty two percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 10,00,000 (Ten Lakh).
4	Where the amount of arrear tax in dispute exceeds Rs. 1,00,00,000 (one crore) other than mentioned in Sl.No. 1.	Rs. 29,30,000 (Twenty nine Lakh thirty thousand) plus thirty eight percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 1,00,00,000 (one	Rs. 30,30,000 (Thirty Lakh thirty thousand) plus thirty nine percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 1,00,00,000 (one	Rs. 31,30,000 (Thirty one Lakh thirty thousand) plus forty percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 1,00,00,000 (one

		crore).	crore).	crore).
5	For dispute arising out of an order levying penalty or interest under the law	Ten percent of disputed amount of penalty or interest, as the case may be	Ten percent of disputed amount of penalty or interest, as the case may be	Ten percent of disputed amount of penalty or interest, as the case may be
Table- II				
Sl. No.	Amount of arrear in dispute	On payment made within one month from the date of commencement of this Act	On payment made after one month but before expiry of two months from the date of commencement of this Act	On payment made after two months from the date of commencement of this Act, till the expiry of this Act
1	2	3	4	5
1	For the amount of arrear tax in dispute does not exceed Rs. 10,00,000 (Ten Lakh).	Twenty eight percent of arrear tax in dispute	Twenty nine percent of arrear tax in dispute	Thirty percent of arrear tax in dispute
	For the amount of arrear tax in dispute exceeds Rs. 10,00,000 (Ten Lakh) but does not exceed Rs. 1,00,00,000 (one crore).	Rs. 2,80,000 (Two Lakh eighty thousand) plus thirty five percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 10,00,000 (Ten Lakh).	Rs. 2,90,000 (Two Lakh ninety thousand) plus thirty six percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 10,00,000 (Ten Lakh).	Rs. 3,00,000 (Three Lakh) plus thirty seven percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 10,00,000 (Ten Lakh).
2	For the amount of arrear tax in dispute exceeds Rs. 1,00,00,000 (one crore).	Rs. 34,30,000 (Thirty four Lakh thirty thousand) plus forty three percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 1,00,00,000 (one crore).	Rs. 35,30,000 (Thirty five Lakh thirty thousand) plus forty four percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 1,00,00,000 (one crore).	Rs. 36,30,000 (Thirty six Lakh thirty thousand) plus forty five percent of the amount by which the amount of arrear tax in dispute exceeds Rs. 1,00,00,000 (one crore).
3	For dispute arising out of an order levying penalty or interest under the law	Ten percent of disputed amount of penalty or interest, as the case may be	Ten percent of disputed amount of penalty or interest, as the case may be	Ten percent of disputed amount of penalty or interest, as the case may be
4				

Explanation I. - Settlement amount shall not include payment of admitted tax and the party shall deposit total amount of admitted tax. Explanation II. - If a party wishing to settle a dispute, has

already deposited any amount of dispute which is equal or more than the settlement amount, before the commencement of this settlement scheme, the said amount would be considered as payment of settlement amount. Although the amount deposited in excess of the settlement amount will not be refunded. Explanation III. - If a party wishing to settle a dispute, has deposited any amount of dispute before the commencement of this settlement scheme, the said amount would be considered as payment of settlement amount and the party will have to pay the difference amount only. (2) Notwithstanding anything contained in any law for the time being in force but subject to the other provisions of this Act, any dispute in respect of which the amount specified in subsection (1) has been deposited into Government Treasury, in the manner and within the time specified in this Act, shall be deemed to have been settled and it shall not be proceeded before any appellate authority.

## **Chapter III**

### **Manner of Settlement of Disputes**

#### **4. Application for settlement.**

(1) Any party wishing to settle a dispute shall furnish to the prescribed authority, an application in form SET-I, before fifteen days of the expiry of the Act-(a) bearing adhesive court-fee stamp for one hundred rupees and shall be accompanied by notice of demand issued by an authority appointed or prescribed or authorized under the law and an affidavit by the party to the effect that the facts contained therein are true and correct, (b) accompanied by copies of returns and proof of tax payment in support of payment of admitted tax, (c) accompanied by a certified copy of the application for appeal, in the case of a appeal petition pending before the Joint Commissioner Commercial Tax (Appeal) or Deputy Commissioner Commercial Tax (Appeal), (d) accompanied by a certified copy of the application for revision, in the case of a revision petition pending before Commissioner Commercial Tax, (e) accompanied by a certified copy of the application for revision, in the case of a revision petition pending before the Tribunal, (f) accompanied by a certified copy of the reference or Writ Petition or Special Leave Petition, in the case of a reference or Writ Petition or Special Leave pending before the High Court or Supreme Court, as the case may be, (2) The said application will be signed and verified in the manner provided in the form by the proprietor of the business; or, in the case of a firm, by the partner authorized to act on behalf of the firm; or, in the case of business of an undivided Hindu family, by the Karta of the family; or, in the case of a company incorporated under the Companies Act, 1956 (Act 1 of 1956) or a corporation constituted under any law, by the managing director or principal executive officer thereof; or, in the case of a society, club or association of persons or body of individual or a department of Government or local authority, by the principal executive officer, or officer in charge thereof; or, by the declared manager in all cases: Provided that the State Government may, by a notification published in the Official Gazette in this behalf, extend the said period of three months by such further period, not exceeding there months, as may be specified in the said notification. (3) The office of the prescribed authority shall grant a receipt in form SET-II to the party making an application under sub-section (1) as token of receipt of the said application.

## 5. Disposal of application.

(1) No application shall be considered by the prescribed authority unless the application conforms to the requirements of sub-section (1) of section 4: Provided that the prescribed authority shall afford an opportunity to the party to make the application conform to the requirements of sub-section (1) of Section 4 within seven days of the receipt of the application and file a revised application accordingly in form SET-I mentioning therein the word "Revised" in red ink at the top thereof: Provided further that the prescribed authority may, for reasons to be recorded in writing, extend the said period of seven days for such further period of time as is deemed fit in the facts and circumstances of the case. (2) If the party fails to file revised application within the time provided in the first proviso to sub-section (1) or, as the case may be, within the extended period, as provided in the second proviso thereto, the prescribed authority shall reject the application by an order in writing in form SET-III, a copy of which shall be forwarded to the party within seven days of the application being rejected. Provided that the rejection as aforesaid shall not debar the party from filing a fresh application. (3) The prescribed authority shall, within seven days of the receipt of the application or the revised application, as the case may be, verify, or cause to be verified, the particulars set forth therein. (4) The prescribed authority shall verify the computation of disputed amount and the settlement amount furnished by the party in the application in form SET-I and, if upon such verification, the said two amounts found to be correct, the prescribed authority shall, within seven days of such verification, intimate the party in writing to deposit the settlement amount into Government Treasury and furnish the copy of the challan evidencing such payment within the time and in the manner specified in Clause (a) of sub-section (6); Provided that if no such intimation is sent to the party within fifteen days of the receipt of the application or the revised application, as the case may be the computation of the disputed amount, the settlement amount and the application for settlement shall be deemed to have been accepted and the party shall proceed to deposit the settlement amount as so deemed within the time and in the manner specified in Clause (a) of sub-section (6). (5) (a) If upon verification under sub-section (4) the prescribed authority finds that the computation, as aforesaid, is not correct, he shall, by an order in Form SET-IV, intimate the party, (b) The party may, on receipt of the order specified in clause (a), file a fresh application for settlement in view of the order passed under clause (a). (6) (a) Upon receipt of the intimation under sub-section (4), the party shall deposit into Government Treasury, in the manner provided in rule 27 of the Bihar Value Added Tax Rules, 2005, the settlement amount specified in Section- 3, (b) The party shall, within seven days of the deposit of the entire settlement amount as aforesaid, file before the appropriate Court or authority a petition withdrawing the dispute. Explanation - For the purposes of this clause the expression "appropriate Court or authority" shall mean; (i) the Joint Commissioner of Commercial Taxes (Appeal) or the Deputy Commissioner of Commercial Taxes (Appeal), in case of an appeal; (ii) the Joint Commissioner of Commercial Taxes (Administration), in case of a miscellaneous revision pending before the Joint Commissioner of Commercial Taxes (Administration); (iii) the Commissioner of Commercial Taxes, in case of a revision petition pending before the Commissioner of Commercial Taxes; (iv) the Tribunal, in case of a revision petition pending before the Tribunal; (v) the High Court, in case of a reference or Writ Petition; and (vi) the Supreme Court of India, in case of a Special Leave Petition. (7) The prescribed authority shall, within seven days of the deposit of the entire settlement amount, as required by clause (a) of sub-section (6), and filing of the withdrawal petition, as required by clause (b) of sub-section (6), make an order

in form SET-V settling the dispute.(8)Upon an order of settlement of a dispute relating to -(i)a revision petition pending before the Tribunal, or(ii)a reference, or(iii)a Writ Petition, or(iv)a Special Leave Petition being passed under sub-section (7), the said revision, reference, Writ Petition or Special Leave Petition shall be deemed to have been dismissed as withdrawn and notwithstanding anything to the contrary contained in any order or judgment of any Court or Tribunal, the said revision, reference, Writ Petition or Special Leave Petition shall be deemed never to have been preferred by the party.(9)Upon an order of settlement being passed under sub-section (7), the prescribed authority shall -(a)in the case of settlement of a dispute relating to an appeal or revision, other than a revision pending before the Tribunal, record an order in the relevant proceeding to the effect that the proceeding need not be proceeded with in view of the dispute having been settled, mentioning therein the details of such settlement,(b)in the case of a settlement of a dispute (other than a dispute specified in clause (a) of this sub-section or a dispute pending before the Tribunal, any High Court or the Supreme Court) communicate, within seven days, to the authority before which such dispute is pending, a true copy of the order of settlement and the concerned authority shall, upon receipt of the said order, record an order in the relevant proceeding to the effect that the proceeding need not be proceeded with in view of the dispute having been settled, mentioning therein the details of such settlement.Explanation - For the purposes of this sub-section, the expression "relevant proceeding" shall mean the proceeding of appeal, revision, review, reference, writ Petition or Special Leave Petition arising out of any order passed under the law and shall include a proceeding for recovery of tax, interest or penalty initiated by and pending before any authority appointed or prescribed or authorised under the law or the Bihar and Orissa Public Demand Recovery Act, 1914.Form Set-I(Form of application for settlement of dispute under the Bihar Settlement of Taxation Disputes Act, 2015)[See Section 4(1)]Before the.....I, ..... (full name in block letters), son of ..... residing at ....., Telephone No..... email Id.....\*carrying on business under the trade name ..... or on behalf of the .....(name of the \*partnership firm/company/AOP/HUF/etc.) and having registration No. .... under the Bihar Finance Act, 1981, Bihar Value Added Tax Act, 2005 /Other Acts request that the following case be settled.\*A The case is pending before the.....\*B The details of proceedings arising out of an offence alleged to have been committed are as follows :-\*C A notice of demand arising out of scrutiny/assessment/reassessment imposition of penalty or interest for the year ..... has been served on \*me/us by ..... (name of the authority), which is inconsistent and the amount of admitted tax/assessed tax/penalty/interest in such order of scrutiny/assessment/reassessment penalty or interest are given below -

- |                                                                                  |   |
|----------------------------------------------------------------------------------|---|
| (a) Amount of admitted tax                                                       | : |
| (b) Amount paid as admitted tax                                                  | : |
| (c) Proces no and date of demand notice                                          | : |
| (d) Amount of dues as per demand notice                                          | : |
| (e) Tax levied due to non filing of form IX or IXC under Bihar Finance Act, 1981 | : |
| (f) Balance amount of assessed tax                                               | : |
| (f) Amount of interest imposed                                                   | : |

(g) Amount of penalty levied : \_\_\_\_\_

**2. \*I/We want to get the case(s) settled upon payment of Rs. .... (in figures) or such sum as may be agreed upon. \*I/We undertake to pay the amount as may be agreed upon in the appropriate Government Treasury within such time as may be directed.**

Declaration:I, ..... (full name in block letters) declare that the information and particulars furnished in this application are correct and complete.

Date : \_\_\_\_\_ (Signature of the applicant)

\*Strike out whichever is not applicable (Status)

SET-II(Form of Acknowledgement under the Bihar Settlement of Taxation Disputes Act, 2015)[See Section 4(2)]Office of the .....Receipt No.Date -Received from ..... an application in form SET-I

Place : Signature of receiving officer

Seal : Designation

SET-III(Form of Order of rejection under the Bihar Settlement of Taxation Disputes Act, 2015)[See Section 5(2)]Office of the .....Name and style of business in respect of which application in form SET-I has been received:Complete Address of said business:Registration number:Case/CWJC/SLP/Reference No. of dispute:Nature of demand involved in dispute:Period to which dispute relates:OrderThe aforesaid application in form SET-I filed by you and acknowledged vide receipt No. .... date ..... of this office does not conform to the requirements of section 5(1) of the Act and you have further failed to revise the same in accordance with the requirements of the provisos to the said section 5(1). Thus, the said application in form SET-I is here by rejected in accordance with the provisions of section 5(2) of the Bihar Settlement of Taxation Disputes Act, 2015.

Place : Signature

Date :Seal : Designation

Memo No.Date - Designation

Copy forwarded to ..... (Circle Incharge), ..... Circle / ..... (Dealer).

Place : Signature

Date :Seal : Designation

Form SET-IV(Order under section 5(5) of the Bihar Settlement of Taxation Disputes Act, 2015)[See Section 5(5)]Name and style of business in respect of which application for settlement has been received:Receipt No. and date vide which application in form SET-I acknowledged:Complete Address of said business :Registration number:Case/CWJC/SLP/Reference No. of dispute:Nature of demand involved in dispute:Period to which dispute relates:OrderThe amount payable on settlement as reported by you vide para 2 of the application in form SET-I filed by you is rupees ..... But the amount payable by you on settlement as computed by the undersigned in terms of the provisions of the Act comes to rupees ..... (computation of the undersigned enclosed.



Place : Signature

Date : Seal : Designation

Memo No. Copy forwarded to ..... (Dealer) Date -

Place : Signature

Date : Seal : Designation

Form SET-V (Order of Settlement under the Bihar Settlement of Taxation Disputes Act, 2015) [See Section 5(7)] Name and style of business in respect of which this application has been received: Complete Address of the said business: Registration number: Case/CWJC/SLP/Reference No. of dispute: Nature of demand involved in dispute: Period to which dispute relates: Amount of demand raised on applicant in respect of the disputes specified in the Table appended to section 3(1). Payment made in relation to the dispute: Order The dispute whose details are set out above is hereby settled in accordance with the provisions of sub-section (7) of section 5 of the Bihar Settlement of Taxation Disputes Act, 2015.

Place : Signature

Date : Seal : Designation

Memo No. Date -

Copy forwarded to ..... (Circle Incharge),  
..... Circle/ ..... (dealer)

Place : Signature

Date : Seal : Designation