

Bihar Settlement of Taxation Dispute Rules, 2020

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Rule BIHAR-SETTLEMENT-OF-TAXATION-DISPUTE-RULES-2020 of 2020

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Bihar Settlement of Taxation Dispute Rules, 2020Published vide Notification No. S.O. 77, dated 15.1.2020Last Updated 10th February, 2020S.O. 77 dated 15th January 2020. - In exercise of the power conferred by sub-section (1) of section 6 of the Bihar Settlement of Taxation Dispute Act, 2019 (Bihar Act 20 of 2019), the Governor of Bihar is pleased hereby to make the following rules, namely:-

1. Short title, extent and commencement.

(1)These rules may be called the Bihar Settlement of Taxation Dispute Rules, 2020.(2)It shall extend to the whole of the State of Bihar.(3)They shall come into force on such date as the Commissioner of state tax may, by notification in the official gazette, specify and remain effective upto three months from the date of its notification: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 three months, as may be specified in the said notification.

2. Definitions.

- In these rules, unless there is anything repugnant in the subject or context, -(a)"Form" means a form appended to this rule.(b)"section" means a section of the Act;(c)"the Act" means the Bihar settlement of Taxation Disputes Act 2019;(2)Other words and expressions used in these rules and not defined herein, but defined in the Act or in the Law or in the rules made thereunder, shall have the meanings respectively assigned to them in the Act or in the Law or in the rules made thereunder, as the case may be.

3. Manner and form of application for settlement.

(1) Subject to the provisions of sub-rule (2) any party wishing to settle a dispute, shall furnish to the authority specified in sub rule (6) a duly completed and signed application in Form-I, at least twenty days before the expiry of the Rules: Provided that a party wishing to settle a dispute, may furnish to the authority specified in sub rule (6) a duly completed and signed application in Form-I on their official email address exhibited in departmental website of Commercial Taxes Department, Bihar. (2) Separate applications in Form -I, shall be furnished for every dispute along with -(a) copy of annual return or all applicable quarterly returns for the period in dispute, if filed : Provided that where a dispute does not relate to any assessed tax but relates to imposition of any penalty or interest or fine, copy of returns/annual return shall not be required to be enclosed, (b) proof of payment in support of payment of admitted tax and payment against disputed amount before commencement of this Act, by way of challan or challans along with statement, or the payment report downloaded from the website of Commercial Taxes Department or fully and correctly filled TDS certificate in Form C-II, where applicable: Provided that in case of TDS certificate in Form C-II, applicant shall furnish a certificate issued by the deducting authority that amount of tax Rs. deducted from the applicant's bill for the period has been deposited into (name of the treasury) Treasury vide challan no. dated The said challan of Rs. deposited into government treasury also includes the amount deducted from M/s (name of deductee) (c) copy of the order levying any tax, interest or penalty or fine where available or copy of the demand notice, where such order is not available, (d) copy of the demand notice, where not furnish under clause (c), (e) statement along with statutory certificates/declarations received, to be submitted in original, (f) e-mail address and mobile number on prescribed place of Form-I, (g) copy of PAN of the applicant, duly signed by blue ballpoint pen. (3) An application in Form -I will cover only one case of any period under the Law and shall cover entire dispute of that case and not a part of it. (4) The said application in Form-I will be signed at the place 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. (5) If application is sent by Registered or Speed Post, the day on which such application is received by the prescribed authority shall be treated as the day of its presentation. (6) Duly filled in and signed application in Form-I with required documents shall be submitted before the authority as mentioned below:

Sl. No.	As on 31.12.2019 dispute related to	Authority before whom Form-I to be submitted
(1)	(2)	(3)
1.	Tax/Interest/Penalty/fine	Head of the Office where order in dispute has been passed.
2.	Penalty order related to violation of provisions for	In-charge of the circle in whose

movement of goods passed by Check post authority territorialJurisdiction such check post was situated.

3. All other cases other than Sl. no.1 & 2above In-charge of the circle who has jurisdictionover the business of the applicant.

(7)The office of the authority referred to in sub-rule (6) shall, after checking the completeness of the application, grant a receipt in Form -II to the party .

4. Disposal of application.

(1)No application shall be considered by the authority referred to in sub-rule (6) of rule 3 unless the application conforms to the requirements of rule 3.(2)The authority referred to in sub-rule (6) of rule 3 shall verify the computation of the disputed amount, payments made, the settlement amount and other particulars furnished by the party in the application in Form-I within two days of the furnishing of the said application.(3)Where upon verification under sub-rule (2), it is found by the authority specified in that sub-rule that the application is incomplete/incorrect/does not conform to the requirements of rule 3, the said authority shall, on the next day of verification as specified in sub-rule (2), issue Deficiency memo in Form-III for rectification of defects of application in Form-I.(4)A party to whom a Deficiency memo in Form-III has been communicated shall rectify the defects of application in Form-I within four days of the receipt of the Deficiency memo:Provided that if the party fails to rectify the defects of the application in Form-I as communicated in Form-III, the said authority shall reject the application for settlement of dispute within a period of two days after the expiry of the period specified in sub-rule (4) by an order in Form-VII, a copy of which shall be forwarded to the party on the e-mail address:Provided further that the rejection as aforesaid shall, subject to sub-rule (1) of rule 3, not debar the party from filing a fresh application.(5)Where after removal of defects by the party under sub rule (4), or upon verification under sub-rule (2) it is found by the authority referred to in sub-rule (6) of rule 3 that-(a)any payment of tax, interest, penalty or fine specified by the party in the application in Form -I is or are not borne out and not verifiable from the official records or payment reports generated on the Vatmis Application of the Commercial Taxes Department, Bihar, or(b)the disputed amount or the settlement amount has not been computed correctly or is not in accordance with the provisions of the Act, the said authority shall, within ten days from receipt of application in Form-I, direct the party by order in Form-IV to furnish treasury certificate(s) only in respect of such payments of tax, interest, penalty or fine which could not be verified through the official records or payment reports generated on the Vatmis Application of the Commercial Taxes Department, Bihar or as the case may be, to deposit the payable settlement amount as calculated in accordance with the provisions of the Act into Government Treasury, in the manner provided in Rule 27 of the Bihar Value Added Tax Rules, 2005, and furnish the challan evidencing such payment preferably within seven days of the receipt of the order, but in no case later than two days before the expiry of the Rules.(6)Where upon verification under sub-rule (2), it is found by the authority specified in that sub-rule that(a)the application conforms to the requirements of rule 3,(b)the disputed amount and the settlement amount have been computed correctly, and in accordance with the provisions of the Act, and(c)all payments of tax, interest, penalty or fine specified by the party in the application in Form -I are borne out and verified from the official records or payment reports generated on the Vatmis

Application of the Commercial Taxes Department, Bihar, the said authority shall, within ten days from receipt of application in Form-I, direct the party by order in Form-V, to deposit the settlement amount into Government Treasury, in the manner provided in Rule 27 of the Bihar Value Added Tax Rules, 2005, and furnish the challan evidencing such payment preferably within seven days of the receipt of the order, but in no case later than two days before the expiry of the Rules.(7)The authority specified in sub-rule (2) shall, within two days of the deposit of the entire settlement amount, as aforesaid, make an order in Form-VI settling the dispute.(8)If the party(a)fails to rectify the defects of the application Form-I as communicated in Form-III; or(b)does not furnish treasury certificate(s) in response to the order of Form-IV in respect of payments of tax, interest, penalty or fine which could not be verified through the official records or payment reports generated on the Vatmis Application of the Commercial Taxes Department, Bihar within the time limit specified in clause (b) of sub-rule (5); or(c)does not produce evidences of payment of balance settlement amount in response to the order of Form-IV as calculated in accordance with the provisions of the Act within the time limit specified in clause (b) of sub-rule (5); or(d)does not produce the evidences of the deposit of the entire settlement amount, as required by Form-V within the time limit specified in clause (c) of sub-rule (6); the said authority shall reject the application for settlement of dispute by an order in Form-VII before expiry of the Rules and communicate such order to the party:Provided that the rejection as aforesaid shall, subject to sub-rule (1) of rule 3, not debar the party from filing a fresh application.(9)All communication in Form-III, Form-IV, Form-V, Form-VI and Form-VII shall be made on e-mail address specified in Form-I.Form - I(Form of application for settlement of dispute under the Bihar Settlement of Taxation Disputes Act, 2019)[See Rule 3 (1)](Application shall be filled and signed by blue ballpoint pen only.)Before the.....I,(full name in block letters), son of residing at, being *proprietor/ partner/ karta/ managing director/ principal executive officer/officer in-charge / declared manager hereby apply for settlement of arrear tax, interest, fine or penalty in dispute and the relevant particulars are furnished below:-

1. Trade name of the business
2. Address of the principal place of business
3. Postal address at which communication may be made
4. PAN of the applicant
5. E-mail address to which notices /communications may be sent
6. Mobile number to which communications may be sent
7. Act under which the case is pending
8. Registration Certificate Number under the law, if any
9. Period of the case in respect of which the application is made
10. Admitted tax payable as per return
11. Admitted tax paid
12. Date on which order levying tax, interest, penalty or fine passed
13. Demand notice number and date

14. Pending before which authority (Appellate Authority/Commissioner/Tribunal/ High Court/Supreme Court)

15. Date on which Appeal/ Revision/ Reference/WP/ SLP filed

16. Details of dispute -

Description	Arrear of tax for nonfurnishing/non-production of statutory Certificates/ Declarations	Other Arrears of tax	Dispute arising out of an order levying penalty, fine or interest under the law
Amount of tax, interest, penalty or fine levied			
Amount of tax, interest, penalty or fine in dispute			
Settlement amount as per section 3 of the Act			
Amount of tax, interest, penalty or fine paid in respect of the dispute before the commencement of the Act			
Balance amount payable for settlement of dispute			

17. The details of amount already deposited against disputed amount before commencement of the Act-

Challan no. Date on account of Tax/Interest/Penalty/Fine Amount deposited

18. Value of statutory Certificates/ Declarations received after issuance of demand notice which are attached with this application-

19. *I/We want to get the case settled upon further payment of Rs.on account of assessed tax, Rs. on account of interest, Rs. on account of penalty and Rs. on account of fine.

***I/We undertake to pay the amount 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 : *Strike out whichever is not applicable. (Signature of the applicant) (Status). Form - II (Form of Acknowledgment under the Bihar Settlement of Taxation Disputes Act, 2019) [See Rule 3(7)] Office of the Receipt No. Date - Application in Form-I Received from (A) Trade name of the business (B) Registration Certificate Number under the law, if any (C) E-mail address (D) Mobile No. Check slip [(Tick () if enclosed (x) if not enclosed)]

(1) Copy of annual return or all applicable quarterly returns for the period in dispute, if filed { |

| - | (2) Statement along with copies of challan in support of payment of admitted Tax and payment against disputed amount before commencement of the Act | { | - | | } | - | (3) Payment report downloaded from the website of Commercial Taxes Department | { | - | | } | - | (4) Form C-II along with certificate of deducting authority as prescribed in Rule-3(2)(b) | { | - | | } | - | (5) Copy of the order levying any tax, interest or penalty or fine | { | - | | } | - | (6) Copy of demand notice regarding dispute | { | - | | } | - | (7) Statement along with statutory certificates/declarations received in original | { | - | | } | - | (8) E-mail address & mobile no. mentioned on prescribed place in Form-I | { | - | | } | - | (9) Copy of PAN of the applicant, duly signed by blue ballpoint pen | { | - | | } | Place : Seal : Signature Designation Form - III (Form of Deficiency memo for rectification of defects of application in Form-I under the Bihar Settlement of Taxation Disputes Act, 2019) [See Rule 4(3)] Office of the (1) Name and style of business in respect of which application in form Form-I has been received: (2) Postal address as per Form-I: (3) Registration Certificate Number under the law, if any: (4) E-mail address to which notices / communications may be sent: (5) Mobile number to which communications may be sent: (6) Nature of demand involved in dispute: (7) Period to which dispute relates: Order The aforesaid application in Form-I filed by you and acknowledged vide receipt No. dated of this office is *incomplete/*incorrect/*does not conform to the requirements of rule 3 due to following reasons- (specify the reason)

1.

.....

2.

.....

3.

.....You are, therefore, directed to rectify the defects of the application Form-I by (date). In the event of your failure to rectify the defects shall lead to rejection of application for settlement of dispute without any further hearing. Place : Date : Seal : *Strike out whichever is not applicable. Signature Designation Memo No. Date - Copy forwarded to (Party). Place : Date : Seal : Signature Designation Form - IV (Order to furnish payment proof/ treasury certificate under the Bihar Settlement of Taxation Disputes Act, 2019) [See Rule 4(5)] Office of the

1. Name and style of business :

2. Receipt No. and date of Form-II :

3. Postal address as per Form-I :

4. Registration Certificate Number under the law, if any :

5. Nature of demand involved in dispute :

6. E-mail address to which notices / communications may be sent :

7. Mobile number to which communications may be sent :

8. Period to which dispute relates :

Order Whereas upon verification of the aforesaid application in Form-I filed by you, it is found that - (i) *Your following payments of tax, interest, penalty or fine specified in the application in Form -I are not verifiable from the official records or payment reports generated on the Vatmis Application of the Commercial Taxes Department, Bihar:-

S.No Date Amount on account of Tax/Interest/Penalty/Fine

(ii) * the settlement amount has not been computed correctly or is not in accordance with the provisions of the Act as shown in the table below. Amount paid in respect of the dispute before the commencement of the Act and which is verified from official records or Vatmis is also shown in the table-

Dispute relating to:	Settlement Amount as shown in	Settlement amount as	Amount paid in respect of the dispute before the
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1	2	3	4
on account of arrear of tax for nonfurnishing/non-production of statutory Certificates/Declarations		applicationForm-I	calculated in accordancewith the provisions of the Act
on account of other arrear of tax			commencement of the Act and verified from official records orVatmis
on account of dispute arising out of an orderlevying penalty, fine or interest under the law			

You are, therefore, hereby directed to -(a)*furnish treasury certificate(s) in respect of payments of tax, interest, penalty or fine as per table of clause (i) of the above order by.....(date) (in case where treasury certificate(s) are required).(b)*produce evidences of balance settlement amount of Rs.on account of assessed tax, Rs. on account of interest, Rs. on account of penalty and Rs. on account of fine in form of challans by.....(date) (in case where treasury certificate(s) are not required).(c)*produce evidences of balance settlement amount of Rs.on account of assessed tax, Rs. on account of interest, Rs. on account of penalty and Rs. on account of fine in form of challans by.....(date) (in case where treasury certificate(s) are required and if it is produced), or produce evidences of balance settlement amount of Rs.on account of assessed tax, Rs. on account of interest, Rs. on account of penalty and Rs. on account of fine in form of challans by.....(date) (in case where treasury certificate(s) are required and if it is not produced).Place :Date :Seal:*Strike out whichever is not applicable.SignatureDesignationMemo No.Date-Copy forwarded to (Party)Place :Date :Seal :SignatureDesignationNote:- Failure on the part of the party entails rejection of application for settlement of dispute without any further hearing to the party.Form - V(Order to deposit settlement amount under the Bihar Settlement of Taxation Disputes Act , 2019)[See Rule 4(6)]Office of the

1. Name and style of business :

2. Receipt No. and date of Form-II :

3. Postal address as per Form-I :

4. Registration Certificate Number under the law, if any :

5. E-mail address to which notices / communications may be sent :

6. Mobile number to which communications may be sent :

7. Nature of demand involved in dispute :

8. Period to which dispute relates :

OrderThe settlement amount in relation to application filed in Form-1 is calculated as below-

Dispute relating to:	Settlement Amount as shown in applicationForm-I	Settlement amount as calculated in accordancewith the provisions of the Act	Amount paid in respect of the dispute beforethe commencement of the Act and verified from official records orVatmis
1	2	3	4
on account of arrear of tax for non furnishing/non-production of statutory Certificates/ Declarations			
on account of other arrear of tax			
on account of dispute arising out of an orderlevying penalty, fine or interest under the law			

You are hereby directed to produce evidences of balance settlement amount of Rs.on account of assessed tax, Rs. on account of interest, Rs. on account of penalty and Rs. on account of fine in form of challans by.....(date).Place :Date :Seal:SignatureDesignationMemo No.Date-Copy forwarded to (Party)Place :Date :Seal :SignatureDesignationNote. - Failure on the part of the party entails rejection of application for settlement of dispute without any further hearing to the party.Form - VI(Order of Settlement under the Bihar Settlement of Taxation Disputes Act , 2019)[See Rule 4(7)]Office of the

- (1) Name and style of business :
- (2) Receipt No. and date of Form-II :
- (3) Postal address as per Form-I :
- (4) Registration Certificate Number under thelaw, if any :
- (5) E-mail address to which communications maybe sent :
- (6) Mobile number to which communications may besent :
- (7) Nature of demand involved in dispute :

(8) Period to which dispute relates :

(9) Settlement amount as per *Form-IV/ Form-V issued under memo no. Dated :

(i) on account of Arrear of tax for nonfurnishing/ non-production of statutory
Certificates/Declarations :

(ii) on account of other Arrear of tax :

(iii) on account of dispute arising out of an order levying penalty, fine or interest under the law :

(10) Amount deposited against dispute

(i) on account of Arrear of tax for nonfurnishing/ non-production of statutory
Certificates/Declarations :

(ii) on account of other Arrear of tax :

(iii) on account of dispute arising out of an order levying penalty, fine or interest under the law :

The dispute whose details are set out above is hereby settled in accordance with the provisions of rule 4 of the Bihar Settlement of Taxation Disputes Rules, 2020. Place : Date : Seal : *Strike out whichever is not applicable. Signature Designation Memo No. Date - Copy forwarded to State Tax Commissioner-Cum-Secretary, Bihar, Patna / (Party) Place : Date : Seal

: Signature Designation Form - VII (Order of rejection of application under the Bihar Settlement of Taxation Disputes Act, 2019) [See Rule 4(8)] Office of the (1) Name and style of business: (2) Receipt No. and date of Form-II: (3) Postal address of the said business as per Form-I: (4) Registration Certificate Number under the law, if any: (5) E-mail address to which notices / communications may be sent: (6) Mobile number to which communications may be sent: (7) *Memo no. and date of Form-III: (8) *Memo no. and date of Form-IV: (9) *Memo no. and date of Form-V: (10) Period to which dispute relates: Order (i) *You have failed to rectify the defects of the application Form-I as communicated in Form-III, or (ii) *You have not furnished treasury certificate(s) in respect of payments of tax, interest, penalty or fine which could not be verified through the official records or payment reports generated on the Vatmis Application of the Commercial Taxes Department, Bihar as communicated in Form-IV, or (iii) *You have not produced evidences of balance settlement amount as calculated in accordance with the provisions of the Act and communicated in Form-IV, or, (iv) *You have not produced the evidences of the deposit of the settlement amount, as required by Form-V before the expiry of the period as specified in Form-V. Therefore, the said application filed by you for settlement of above dispute in Form-I is hereby rejected in accordance with the provisions of Rule 4 of the Bihar Settlement of Taxation Disputes Rules, 2020. Place : Date : Seal : *Strike out whichever is not applicable. Signature Designation Memo No. Date - Copy forwarded to (Party) Place : Date : Seal : Signature Designation