

The Odisha Gazette

EXTRAORDINARY

PUBLISHED BY AUTHORITY

No. 792, CUTTACK, FRIDAY, APRIL 26, 2013/ BAISAKHA 06, 1935

FINANCE DEPARTMENT

ORDER

The 26th April, 2013

S.R.O. No. 295/2013 — WHEREAS the State Government enforced the Odisha Sales Tax (Settlement of Arrears) Act, 2011 with effect from 1st May, 2012. While enforcing the said Act, the enforcing authorities entertained certain doubt regarding clarity of Section 7(b) the Act.

AND, WHEREAS, Section 7(b) reads as follows,

“Where it relates to arrears of tax which was assessed on the best of judgement due to non- production of accounts with corresponding arrears of penalty and interest, the applicant shall pay one fourth of arrears of tax pending collection on the date of application along with interest calculated at six per cent per annum on the arrears of tax and on such payment of tax and interest, the balance of tax and interest and the entire penalty shall be waived.”

AND, WHEREAS, after careful examination of the provision contained in the said Section 7(b) of the said Act, the State Government hold the following views.

That Section 7(b) of the Odisha Sales Tax (Settlement of Arrears) Act, 2011 stipulates that the applicant shall pay one fourth of the arrears of tax pending collection on the date of application alongwith interest calculated at six per cent per annum on the arrears of tax and on such payment of tax and interest, the balance of tax and interest and the entire penalty shall be waived. Here question is raised whether interest will be calculated on the full amount of the arrears of tax or on the payable amount of 25% of the arrear. If the intention of the Legislature was to realise interest on the full amount of arrear of tax, then in the last line of Section 7(b), it would not have been mentioned that on such payment of tax and interest, the balance of tax and interest and the entire penalty shall be waived. If

the interest is to be realised on the entire amount of arrears of tax, then no interest will be left out to be waived alongwith the balance of tax and the entire penalty as envisaged in the last line of the said section. Hence, the State Government come to a conclusion that it is appropriate to calculate interest on payable amount of arrears of tax and not on the entire amount of arrears of tax under section 7(b) of the Act and to act upon the same accordingly.

NOW, THEREFORE, in exercise of the powers conferred by Section 14 of the Odisha Sales Tax (Settlement of Arrears) Act, 2011 (Odisha Act 12 of 2011) the State Government do hereby order that under section 7(b) of the said Act, interest shall be calculated on the payable amount of arrears of tax.

[No. 15645-FIN-CT1-TAX-0028-2012/F.]

By Order of the Governor

S.ROUT

Under-Secretary to Government