



The Tamil Nadu Sales Tax Entertainments Tax and Luxury Tax (Settlement of Disputes) Act, 1999

Act 12 of 1999

Keyword(s):

Applicant, Arrear Tax, Settlement of Disputes

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The following Act of the Tamil Nadu Legislative Assembly received the assent of the Governor on the 31st May 1999 and is hereby published for general information:—

ACT No. 12 OF 1999.

An Act to provide for expeditious enforcement of payment of arrear tax, penalty or interest in dispute under the relevant Act, relating to sales tax, entertainment tax and luxury tax by way of settlement of such dispute on a one time basis and the matters connected therewith or incidental thereto.

WHEREAS it is expedient to provide for enforcement of payment of, and settlement of dispute relating to, arrear tax, penalty or interest, as the case may be, under the Tamil Nadu General Sales Tax Act, 1959, the repealed Tamil Nadu Sales Tax (Surcharge) Act, 1971, The Tamil Nadu Additional Sales Tax Act, 1970, the Tamil Nadu Entertainments Tax Act, 1939, the Tamil Nadu Local Authorities Finance Act, 1961, the Tamil Nadu Tax on luxuries in Hotels and Lodging Houses Act, 1981 and the Central Sales Tax Act, 1956;

Tamil Nadu Act
1 of 1959.
Tamil Nadu Act
24 of 1971.
Tamil Nadu Act
14 of 1970.
Tamil Nadu Act
X of 1939.
Tamil Nadu Act
52 of 1961.
Tamil Nadu Act
6 of 1984.
Central Act 74 of
1956.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Fiftieth Year of the Republic of India as follows:—

Short title,
extent and
commen-
cement.

1. (1) This Act may be called the Tamil Nadu Sales Tax, Entertainments Tax and Luxury Tax (Settlement of Disputes) Act, 1999.

(2) It extends to the whole of the State of Tamil Nadu.

(3) It shall come into force on such date as the State Government may, by notification, appoint.

Definitions.

2. (1) In this Act, unless the context otherwise requires,—

(a) "applicant" means a dealer or proprietor as defined in the relevant Act;

(b) "arrear tax, penalty or interest in dispute" means,—

(i) tax, by whatever name called, payable by an applicant upon assessment under the relevant Act, or

(ii) penalty payable by an applicant under the relevant Act, or

(iii) interest payable by an applicant under the relevant Act

which, as the case may be, is in dispute in any appeal or revision pending before the appellate authority or revisional authority on the 28th day of February 1999, under the relevant Act;

(c) "designated authority" means the authority appointed under section 3;

(d) "notified authority" means the authority appointed under section 3;

(e) "relevant Act" means,—

(i) the Tamil Nadu General Sales Tax Act, 1959;

(ii) the repealed Tamil Nadu Sales Tax (Surcharge) Act, 1971;

(iii) the Tamil Nadu Additional Sales Tax Act, 1970;

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52 of 1961.

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6 of 1981.

Central Act 74 of
1956.

(iv) the Tamil Nadu Entertainments Tax Act, 1939;

(v) the Tamil Nadu Local Authorities Finance Act, 1961;

(vi) the Tamil Nadu Tax on luxuries in Hotels and Lodging Houses Act, 1981; or

(vii) the Central Sales Tax Act, 1956;

and includes the rules made, or notifications issued under the Acts referred to in sub-clauses (i), (ii), (iii), (iv), (v), (vi) or (vii).

(2) Unless there is anything repugnant in the subject or context, all expressions used in this Act, which are not defined, but defined in the relevant Act, or used in the relevant Act, shall have the same meaning as in the relevant Act.

Tamil Nadu Act
1 of 1959.

3. For carrying out the purposes of this Act, the State Government may, by notification, appoint one or more authorities referred to in section 28 of the Tamil Nadu General Sales Tax Act, 1959, to be the designated authority and notified authority, and such authority shall exercise jurisdiction over such area or areas as the State Government may specify in the notification.

Designated au-
thority and no-
tified authority.

4. (1) Subject to the other provisions of this Act, an applicant shall be eligible to make an application for settlement of arrear tax, penalty or interest in dispute in respect of any period for which an assessment has been made under the relevant Act and an appeal or revision relating thereto is pending on the 28th day of February 1999, before any appellate authority or revisional authority, as the case may be.

Eligibility for
settlement.

(2) Notwithstanding anything contained in sub-section (1), an applicant shall not be eligible to make an application for settlement of arrear tax, penalty or interest in respect of any period under the relevant Act for which the appeal or revision has been finally heard by the appellate authority or the revisional authority, as the case may be.

Explanation.- For the purposes of this sub-section, no appeal or revision shall be deemed to have been heard only by reason of any stay order having been passed by any appellate authority or revisional authority in connection with such appeal or revision.

5. (1) An application for the purpose of section 4 shall be made to the designated authority by an applicant on or before the 30th day of September 1999, or by such later date as the State Government may, by notification, specify from time to time, in such form and in such manner as may be prescribed and shall be accompanied by such fee as may be prescribed.

Application for
settlement.

(2) A separate application shall be made by an applicant for relevant assessment years in respect of which appeal or revision is pending under each of the relevant Acts.

(3) The applicant shall send a copy of the application made under sub-section (1) to the appellate authority or revisional authority, under the relevant Act before whom the appeal or revision, as the case may be, is pending, within seven days from the date of making such application before the designated authority.

6. (1) The designated authority shall verify the correctness of the particulars furnished in such application with reference to the connected records available with the assessing authority or any other authority with whom such records may be available, as the case may be.

Determination of
amount payable
by the appli-
cant.

(2) Where the designated authority is satisfied about the correctness of the particulars set forth in the application made by an applicant, he shall within sixty days from the date of receipt of an application referred in section 5, determine, by an order in writing, the amount payable by the applicant for the purpose of settlement of arrear tax, penalty or interest in dispute at the rate specified in section 7:

Provided that while determining the amount payable by the applicant for the purpose of settlement of arrear tax, penalty or interest in dispute, the designated authority shall take into account any amount of arrear tax, penalty or interest paid by the applicant before making an application under section 5 and deduct the amount so paid by him from the amount determined as payable by the applicant under this sub-section:

Provided further that the amount payable by an applicant as determined under this sub-section shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee, then, if such part is fifty paise or more, it shall be rounded off to the nearest rupee, and if such part is less than fifty paise, it shall be ignored.

(3) The applicant shall pay in one lump sum, the sum determined by the designated authority under sub-section (2) within thirty days of the receipt of order passed by the designated authority and intimate the fact of such payment to the designated authority along with proof thereof within seven days of making such payment.

Rate applicable
in determining
the amount
payable

7. (1) The amount payable by an applicant for settlement of dispute under this Act shall be determined under sub-section (2) of section 6—

(a) Where the dispute relates to any arrear tax in dispute, at the rate of fifty per centum of the arrear tax in dispute; or

(b) Where the dispute relates to any arrear penalty in dispute; at the rate of twenty-five per centum of the arrear penalty; or

(c) where the dispute relates to any arrear interest in dispute, at the rate of twenty-five per centum of the arrear interest.

(2) The interest payable under the Tamil Nadu General Sales Tax Act, 1959 and the Tamil Nadu Entertainments Tax Act, 1939 by an applicant on the amount settled for payment under this Act shall be 0.5 per centum per month.

Tamil Nadu Act
1 of 1959.
Tamil Nadu Act
X of 1939.

Settlement of dis-
pute and issue
of certificate of
settlement.

8. (1) The designated authority, on being satisfied about the payment of the amount which the applicant is required to pay by virtue of the order under sub-section (2) of section 6, shall settle the dispute in respect of which an application has been made under sub-section (1) of section 5 and issue a certificate of settlement for such dispute, in such form as may be prescribed, to the applicant, ordinarily within fifteen days of receipt of the proof in support of payment made by the applicant of the amount determined for the relevant assessment year and thereupon, such applicant shall be discharged from his liability to make payment of the balance amount of such arrear tax, penalty or interest in dispute, the entire interest payable on the amount settled for waiver and the balance interest payable on the amount settled for payment:

Provided that a certificate of settlement shall be issued by the designated authority separately in respect of every application made under section 5.

(2) The designated authority, for reasons to be recorded in writing, may refuse to settle a dispute:

Provided that no order adversely affecting the applicant shall be passed without allowing the applicant a reasonable opportunity of showing cause against such refusal.

(3) The notified authority may at any time within ninety days from the date of issue of certificate under sub-section (1) by the designated authority, rectify any error apparent on the face of the record:

Provided that no such rectification adversely affecting the applicant shall be passed without allowing the applicant a reasonable opportunity of showing cause against such rectification.

9. A certificate of settlement issued under sub-section (1) of section 8 shall be conclusive as to the dispute to which it relates, and no matter covered by such certificate of settlement shall be re-opened in any proceeding of review or revision, or in any other proceeding, under the relevant Act.

Bar on reopening of settled cases.

10. Notwithstanding anything to the contrary contained in any provision in the relevant Act, the appeal or revision for any period pending before the appellate authority or revisional authority, as the case may be, under the relevant Act in respect of which a certificate of settlement is issued under sub-section (1) of section 8, shall be deemed to have been withdrawn by the applicant from the date of making of the application by the applicant under sub-section (1) of section 5.

Withdrawal of appeal and revision.

11. No authority shall proceed to decide any appeal or revision under the relevant Act relating to any assessment year in respect of which an application has been made by an applicant under section 5:

Appellate and revisional authority not to proceed in certain cases.

Provided that such authority shall proceed to decide such appeal or revision for such assessment year in accordance with the provisions of the relevant Act, if a certificate of settlement referred to in sub-section (1) of section 8 is refused to the applicant by an order passed by the designated authority in writing under sub-section (2) of section 8.

12. (1) Notwithstanding anything contained in section 9 or section 10, where it appears to the designated authority that an applicant has obtained the benefit of settlement under this Act by suppressing any material information or particulars or by furnishing any incorrect or false information or particulars, such designated authority, may, for reasons to be recorded in writing and after giving the applicant a reasonable opportunity of showing cause, revoke the certificate of settlement issued under sub-section (1) of section 8.

Revocation of certificate of settlement.

(2) If a certificate of settlement is revoked under sub-section (1), The appeal or revision, as the case may be, under the relevant Act, covered by such certificate of settlement, shall, notwithstanding the provision of section 9 or section 10, stand revived or reinstated immediately upon such revocation, and such appeal or revision shall be decided in accordance with the provisions of the relevant Act, as if no settlement of the arrear tax, penalty or interest in dispute in such appeal or revision has ever been made under this Act.

13. The designated authority shall keep the assessing authority or the appellate authority or the revisional authority under the relevant Act who, for the time being, has jurisdiction over the applicant under the relevant Act, informed, *inter-alia*, of-

Information to be sent to the authorities under the relevant Act.

(a) the fact of making of an application by the applicant under section 5;

(b) the fact of passing of any order by the designated authority under section 8;

(c) the fact of revocation of any certificate of settlement under section 12, in such form and in such manner and within such time, as may be prescribed.

14. Any amount paid by an applicant under section 6 shall not be refundable under any circumstances:

No refund of amount paid under the Act.

Provided that in the case of revocation of a certificate of settlement in accordance with section 12, the amount paid by the applicant under section 6 shall be treated to have been paid under the relevant Act for the period for which the certificate of settlement has been revoked.

Power to remove difficulties.

15. If any difficulty arises in giving effect to any of the provisions of this Act, the State Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty:

Provided that no such order shall be made after the expiry of one year from the date of coming into force of this Act.

Power to make rules.

16. (1) The State Government may, make rules, whether prospectively or retrospectively, for carrying out the purposes of this Act.

(2). (a) All rules made under this Act shall be published in the *Tamil Nadu Government Gazette* and unless they are expressed to come into force on a particular day, shall come into force on the day, on which they are so published.

(b) All notifications issued under this Act shall, unless they are expressed to come into force on a particular day, come into force on the day on which they are published.

(3) Every rule made and every notification issued under this Act and every order made under section 15 shall, as soon as possible after it is made or issued, be placed on the table of the Legislative Assembly and if before the expiry of the session in which it is so placed or the next session, the Assembly makes any modification in any such rule or notification or order or the Assembly decides that the rule or notification or order should not be made or issued, the rule or notification or order shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be, without prejudice to the validity of anything previously done under that rule or notification or order.

(By order of the Governor)

K. PARTHASARATHY,
Secretary to Government,
Law Department.