

ABOUT A QUARTER OF DIRECT TAX LITIGATIONS GETTING RESOLVED VIA 'VIVAD SE VISHWAS'

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

New Delhi: The Centre's ambitious tax dispute resolution scheme Vivad Se Vishwas has settled almost a quarter of the over 5.10 lakh tax disputes, with about 97,000 crore worth disputed tax being resolved so far under it.

As many as 1,25,144 cases have so far opted for the Vivad se Vishwas (VsV) Scheme, which is 24.5 per cent of the 5,10,491 cases that were pending at different legal fora, according to sources in the Department of Revenue (DoR).

"The response to VsV Scheme has been very encouraging and so far involves the tax dispute settlement amount to the tune of more than 97,000 crore," sources added.

The Vivad se Vishwas Scheme has received 15 times better response in comparison to Direct Tax Dispute Resolution Scheme, 2016 (DTDRS), and with regard to the settled disputed amount, it is 153 times of DTDRS.

The 1998's Kar Vivad Samadhan Scheme (KVS) Scheme could gather 739 crore with just few thousand cases, while the 2016's DTDR Scheme resolved just 8,600 odd cases involving an amount of 631 crore.

Sources said that the setting up of Dispute Resolution Committee (DRC) announced in the 2021-22 budget is in furtherance of the VsV Scheme. Under DRC, further impetus is to be provided to resolve the litigations in the best interest of the small taxpayers in a Tax Lok Adalat format which would bring transparency and accountability in a faceless manner.

The last date for filing declaration under the VsV scheme has been extended till February 28, while for paying the disputed tax the date is March 31.

The scheme provides for settlement of disputed tax, disputed interest, disputed penalty or disputed fees in relation to an assessment or reassessment order on payment of 100 per cent of the disputed tax and 25 per cent of the disputed penalty or interest or fee.

The taxpayer is granted Immunity from levy of interest, penalty and institution of any proceeding for prosecution for any offence under the Income-tax Act in respect of matters covered in the declaration.

The Direct Tax Vivad se Vishwas Act, 2020 was enacted on March 17, 2020 to settle direct tax disputes locked up in various appellate forum.

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