



## The Haryana One Time Settlement Scheme

For recovery of tax and settlement of disputes relating to various taxes levied in Haryana, The Excise and Taxation Department, Haryana has announced “The Haryana One Time Settlement Scheme for Recovery of Outstanding Dues, 2023” vide Notification No. No. 71/ST-1 dated 30/12/2023 which was applicable from 01/01/2024.

More than one month has passed since the issuance of the notification. We, the ProIndiaClub Team, provided updates to our subscribers at the time of the scheme's arrival. However, we are still receiving queries on various aspects. Therefore, for the purpose of assisting taxpayers and professionals, we are offering a comprehensive breakdown of the key aspects of the scheme.

### Eligibility Criteria:

Any assessee or person liable to pay **outstanding dues**, whether registered or not under **the relevant Acts**, can opt for the OTS Scheme.

### Exclusion:

- Individuals facing criminal proceedings under relevant Act,
- Demands related to erroneous refunds are not eligible.

### Relevant Acts:

The term 'Relevant Act' includes acts such as:

- Haryana Value Added Tax Act;
- Central Sales Tax Act;
- Haryana Local Area Development Tax Act;
- Haryana Tax on Luxuries Act;
- Punjab Entertainment Duty Act;
- Haryana General Sales Tax Act; and
- Haryana Tax on Entry of Goods in to Local Areas Act.

### Outstanding Dues:

Defined as any tax, interest, penalty, or other dues under the Relevant Act unpaid by a person until June 30, 2017.



**Scheme Benefits:**

- Complete waiver of interest and penalty.
- No prosecution or reopening of settled matters in other proceedings.
- Settling the dispute by making the minimum tax payment. Amount of tax shall be deposited as per table below:

**Amount to be deposited under OTS Scheme**

Sl. No.	Category	Percentage of tax to be paid
1.	Admitted Tax (“ <b>admitted tax</b> ” means any amount of tax as admitted in return but not paid or short paid)	100%
2.	Disputed Tax (“ <b>disputed tax</b> ” means any amount of tax other than admitted tax, differential tax or undisputed tax)	<ul style="list-style-type: none"> <li>• 30% in case of tax amount equal to or less than Rs. 50 lacs</li> <li>• 50% in all other cases</li> </ul>
3.	Undisputed Tax (“ <b>undisputed tax</b> ” means any amount of tax, other than the admitted tax or differential tax, as quantified by the taxing authority wherein no appeal is pending on the appointed day in relation to such amount before the appellate authority under the relevant Act, High Court or Supreme Court)	<ul style="list-style-type: none"> <li>• 40% in case of tax amount less than or equal to Rs. 50 lacs.</li> <li>• 60% in all other cases</li> </ul>
4.	Differential Tax (“ <b>differential tax</b> ” means the difference between the full rate of tax applicable under the relevant Act and the concessional rate applicable on submission of declaration forms as specified as Form ‘C’ and ‘F’ under rule 12 of the Central Sales Tax Rules, 1957).	<input type="checkbox"/> 30%

**Application Process:**

- Application through the official website [www.haryanatax.gov.in](http://www.haryanatax.gov.in) is mandatory
- Separate applications required for each Relevant Act and each assessment year.

### Payment Options:

Applicants can choose lumpsum or instalment payments as per detail given below:

1	2	3	4	5
Serial Number	Settlement Amount of tax (Refer Column (3) of Schedule-I) (in Rs.)	Amount to be paid at the time of application	2nd Installment (within 90 days from the date of provisional order of settlement)	3rd Installment (within 180 days from the date of provisional order of settlement)
1.	Upto 10 Lakhs	Full and final settlement amount to be paid alongwith <b>FORM OTS-1.</b>	Nil	Nil
2.	10 Lakhs to 25 Lakhs	50% of the settlement amount alongwith <b>FORM OTS-1.</b>	Balance 50% of the settlement amount alongwith intimation in <b>FORM OTS-1 A.</b>	Nil
3.	More than 25 Lakhs	40% of the settlement amount alongwith <b>FORM OTS-1.</b>	30% of the settlement amount alongwith intimation in <b>FORM OTS-1A.</b>	Balance 30% of the settlement amount alongwith intimation in <b>FORM OTS-1B</b>

### Time limit for opting scheme:

Applicants can opt for the scheme within ninety days from the appointed day. As per Notification No. No. 72/ST-1 dated 31/12/2023, the appointed day for the scheme was 01/01/2024 accordingly applicant can submit their application by 31<sup>st</sup> March 2024

### ITC cannot be utilised for payment:

Any amount paid under this scheme shall neither be paid through Input tax nor shall be allowed to be claimed as Input tax by any person

**Treasury Head under which the settlement amount shall be deposited:**

The amount is to be deposited under the Treasury Head of the Relevant Act as mentioned below:

S.No.	Name of the Relevant Act	Treasury Head
1	The Haryana Value Added Tax Act, 2003	0040-51-102-99-51
2	The Central Sales Tax Act, 1956	0040-51-101-99-51
3	The Haryana Local Area Development Tax Act, 2000	0042-51-106-51-51
4	The Haryana Tax on Entry of Goods into Local Areas Act, 2008	0042-51-106-51-51
5	The Haryana Tax on Luxuries Act, 2007	0045-51-105-51-51
6	The Punjab Entertainment Duty Act, 1955	0045-51-111-98-51
7	The Haryana General Sales Tax Act, 1973	0040-51-102-99-51

**Complete process of filing and processing of application:**

Complete process for filing and processing of application is given hereunder:

- (1) The applicant may opt for the scheme within ninety days from the appointed day.
- (2) The applicant shall apply online in FORM OTS-1 along with proof of payment of the settlement amount or the first installment, whichever is applicable.
- (3) On receipt of FORM OTS-1, a system generated acknowledgement shall be issued electronically to the applicant in FORM OTS-2.
- (4) The jurisdictional authority shall examine FORM OTS-1 within thirty days from the date of acknowledgement and send the application along with his comments for the recommendations to the Deputy Excise and Taxation Commissioner (hereinafter referred as "DETC") concerned.
- (5) In case the jurisdictional authority has reasons to believe that a particular application does not pertain to his ward, then he may transfer such application to DETC. The DETC shall then transfer such application to the concerned jurisdictional authority for processing of the application. In such cases, the timeline specified in para (4) above shall be from the date of such transfer of application.
- (6) The DETC shall further examine the application within fifteen days and send the case back to the jurisdictional authority for either issuing deficiency notice in FORM OTS 3 or provisional settlement order in FORM OTS 4A (where the applicant has opted for installments or is supposed to submit proof of withdrawal of appeal) or a final order of settlement in FORM OTS 4.
- (7) On receipt of communication from the DETC, the jurisdictional authority shall issue within fifteen days a deficiency notice in FORM OTS 3 or provisional settlement order in FORM OTS 4A or a final order of settlement in FORM OTS 4, as the case may be.
- (8) The applicant shall submit his reply in FORM OTS-3A electronically within fifteen days of the date of issuance of deficiency notice in FORM OTS-3 along with requisite documents or proof of payment as required.



- (9) On receipt of the reply of the applicant in FORM OTS-3A, the jurisdictional authority shall examine and send the case to the DETC with his recommendations within fifteen days from the date of FORM OTS-3A. The DETC shall examine the case within fifteen days and direct the jurisdictional authority either to issue provisional settlement order in FORM OTS 4A or a final order of settlement in FORM OTS 4 or an order of rejection in FORM OTS-5.
- (10) On receipt of the directions issued by the DETC, the jurisdictional authority, shall within fifteen days from the receipt of such communication issue a provisional settlement order in FORM OTS 4A or a final order of settlement in FORM OTS 4 or an order of rejection in FORM OTS-5.

**A flow chart showing complete process of filing and processing of the application is given in Annexure-A.**

#### **Appeal and Challenges:**

- No appeal allowed against final orders under the Scheme.
- Excise and Taxation Commissioner's decision is final for doubt resolution.

#### **Conclusion:**

In conclusion, the Haryana OTS Scheme offers a streamlined pathway for resolving outstanding dues. To make the most of this opportunity, taxpayers are strongly advised to opt for the scheme at the earliest, avoiding last-minute hassles. Proactive participation ensures a smoother process, maximizes benefits, and reduces the risk of complications.

**Flow Chart Showing Complete Process for Filing and Processing of Application**

