

**Circular No. 23 / 2011**  
(Drafting Cell -I / 26408/ 2011)

Office of the Principal Secretary/  
Commissioner of Commercial Taxes,  
Chepauk, Chennai - 5

Dated : 03.11.2011

**CIRCULAR**

Sub: Tamil Nadu Sales Tax (Settlement of Arrears) Act, 2011  
- Circular instructions issued - Regarding.

Ref : Tamil Nadu Sales Tax (Settlement of Arrears) Act, 2011  
(Act No.29 of 2011 )

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The Government of Tamil Nadu had enacted Samadhan Schemes during the years 1999, 2002, 2006, 2008 and 2010 for the expeditious settlement of arrears of tax, penalty or interest. Like in past, the Government has notified a Samadhan Scheme (Tamil Nadu Sales Tax (Settlement of Arrears) Act 2011) which will be in force for a period of six months from 01.11.2011. The scheme closes on 30.04.2012. The scheme is applicable for the assessment years up to 2006-07 for which arrears of demand were raised prior to 01.08.2011 under Tamil Nadu General Sales Tax Act, 1959, Tamil Nadu Sales Tax (Surcharge) Act, 1971, Tamil Nadu Additional Sales Tax Act, 1970, and Central Sales Tax Act, 1956.

The salient features of the Samadhan Scheme 2011 are:-

1. In respect of best of judgment assessments due to non production of accounts, the dealer needs to pay 40% of arrears of tax and 7.5% interest.
2. In respect of assessments completed after check of accounts where tax assessed is in excess of the tax reported in the monthly returns due to non-filing of declaration forms, the dealer needs to pay 40% of arrears of tax and 7.5% interest

3. In respect of assessment completed based on the returns filed, where tax is admitted, the dealer needs to pay the entire arrears of tax along with interest at 7.5%.
4. In case of arrears of penalty or interest or both, without arrears of tax, the dealer needs to pay 10% of the penalty and 25% of the interest.

The dealers are eligible to get the balance amount of tax, penalty or interest, as the case may be, waived on payment of arrears as specified above. For easy reference, the features are tabulated below:

Category	Nature of Arrears	Amount to be paid under Samadhan	Balance to be waived
a.	Arrears related to best judgment assessment due to non-production of accounts	Tax - 40% of arrear Interest - 7.5% per annum on 40% of the arrears Penalty - Nil	Tax - 60% to be waived Interest - Balance to be waived Penalty - 100 % to be waived
b.	Arrears of Tax accrued due to non filing of declaration forms	Tax- 40% of arrear Interest - 7.5% per annum on 40% of the arrears Penalty - Nil	Tax - 60% to be waived Interest - Balance to be waived Penalty - 100 % to be waived
c.	Arrears related to admitted tax as per returns	Tax - 100% of arrear Interest - 7.5% per annum on 100% of the arrears Penalty - Nil	Tax - Nil Interest - Balance to be waived Penalty - 100 % to be waived
d.	Arrears of penalty and interest alone	Interest- 25% of arrears Penalty - 10% of arrear	Interest - 75% to be waived Penalty - 90 % to be waived

It is felt that the Samadhan Scheme which has since been notified is expected to yield considerable revenue only if proactive measures based on systematic planning are undertaken by the Assessing Officers, Deputy

Commissioners and Joint Commissioners. In this regard, the following instructions are issued for strict adherence:-

1. Wide publicity is to be given to popularize the scheme and to create an awareness among the traders. The publicity may be made through Press, Cinema slides, Wall posters, Placards, Local Cable T.V. etc.,
2. In G.O.(Ms.) No.131/ CT & R (D2) Department, dated 06.07.2007, Government have constituted a District level Sales Tax Advisory Committee with District Collector as Chairman and an MLA, representatives from Industry, Retail Traders, Consumer Forum, etc. as members. Deputy Commissioner (Commercial Taxes) is the Secretary and Divisional Joint Commissioner is the ex-officio member. The Committee discusses on administrative matters relating to sales tax, related problems or difficulties faced by the dealers and appropriate decisions are taken in the meeting, other than policy decisions. Deputy Commissioners of respective C.T. Districts should take immediate steps for popularizing the scheme through the Sales Tax Advisory Committee. Therefore, action may be taken to convene the Sales Tax Advisory Committee meeting every month by the respective Deputy Commissioners with active participation by all the Traders of the respective districts with full media coverage. The District Collectors shall ensure wide press coverage of this scheme.
3. Intensive and frequent meetings with Traders, Associations, Chamber of Commerce are to be arranged at circle, CT District / Zone, Division levels every month starting from November 2011 by the Assistant Commissioners / Commercial Tax Officers, Deputy Commissioners and Joint Commissioners respectively.
4. Several arrears running to crores of rupees on which, though actions were initiated under Revenue Recovery Act, no effective and purposeful follow-up action has been taken. All such cases in

which properties have been brought to auction, action must be tightened and pursued vigorously. The list of all such cases are already available in the concerned assessment circles. In respect of properties which have been brought to auction, boards have to be displayed at the site in a prominent place visible to public stating the attachment made by the Commercial Taxes Department in bold letters. In addition, steps should also be taken to give publicity through cinema slides informing the details of properties attached. The Joint Commissioner should ensure that display of boards and publicity through cinema slides are enforced by the respective assessing officer without fail.

5. Potential dealers must be identified, listed out and follow-up action is to be taken by the Assessing Officers by interacting with such dealers highlighting the benefits of Samadhan Scheme. Joint Commissioners have to review the progress in each assessment circle every fortnight critically.
6. The Territorial JC's shall personally monitor the cases of arrears exceeding rupees one crore and review the progress on weekly basis.
7. All the Joint Commissioners are also requested to bring to the notice of the various Trade Associations under their control that the details of the scheme are available at the Department Website [www.tnvat.gov.in](http://www.tnvat.gov.in).

All the officers must ensure that continuous and vigorous actions are pursued by them to realise the maximum revenue. The progress made every month will be reviewed in the monthly meetings of Joint Commissioners and by the Additional Commissioners during their visits to the respective Divisions and by PS/CCT.

All the Joints Commissioners are also informed that being the designated authority, they have to decide the admissibility of an

application filed under Samadhan Scheme based on the records submitted by the Dealer.

Sd/- Hemant Kumar Sinha,  
Principal Secretary /  
Commissioner of Commercial Taxes

To

1. All the Joint Commissioners (CT) (Territorial including LTU, Enforcement, ISIC & MoU Cell)
2. All Deputy Commissioners (Territorial, Enforcement & Mou Cell)
3. All the Head of the Assessment Circles

**Copy to**

1. All the Additional Commissioners in the O/o the Principal Secretary / Commissioner of Commercial Taxes, Chepauk, Chennai-5
2. Joint Commissioner (Admn) (FAC), O/o the Principal Secretary / Commissioner of Commercial Taxes, Chepauk, Chennai-5
3. All Joint Commissioners (CT), Deputy Commissioners (CT) & Assistant Commissioners (CT) in the O/o the Principal Secretary / Commissioner of Commercial Taxes, Chepauk, Chennai-5
4. The Joint Commissioner (Computer Systems) Chennai-6 for uploading in the intranet and internet websites.
5. The Director, Commercial Taxes Staff Training Institute, Chennai-6
6. PA to PS/CCT
7. The Superintendent, 'Y' Section
8. Stock file
9. Spare 5 Copies

/Forwarded/ By Order/

Sd/- .....  
Commercial Tax Officer  
(Drafting Cell)