

**OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES:
ORISSA: CUTTACK.**

No.III(I)38/09__8479_____/CT., Dt. 27 /04/2009

CIRCULAR

To

**All the JCCTs in charge of Range.
All the ACCTs in charge of Circle.**

Sub: Action against non-filers.

Sir,

With implementation of the Orissa Value Added Tax Act, 2004 w.e.f 01.04.2005 in place of the Orissa Sales Tax Act, 1947, the point of emphasis was shifted from regular assessment by the assessing authorities to 'self assessment' by the dealers. The statute has provided for filing of periodical returns as the mechanism for self assessment. Unfortunately, past experience reveals that the compliance level in this area is abysmally low, as a large number of dealers are not filing returns.

The large brigade of non-filers of return who have continued to remain registered on record are neither discharging their primary duty nor adding any thing to the tax collection of the state. Non-submission of return may be due to closure of business or willful default even if they are carrying on business. There is also possibility of tax evasion by using their registration number in intra-state and inter-state movement of goods.

Now, it is high time to take action against this type of dealers by effective use of different statutory tools provided in the Act. It may be recalled that different statutory tools provided for tackling the problem of non-filing of returns are as follows:-

1. Penalty for non-filing of return (Section 34).
2. Provisional assessment (Section 40).
3. Suspension of Registration Certificate followed by cancellation (Section 30 and 31).

It has come to the notice of the undersigned that non-filers are very large in number. In many cases, penal measure provided in section 34 and provisional assessment provided in Section 40 may not be handy and may not yield any perceptible result. In such cases, suspension of registration followed by cancellation may prove to be more effective.

Basing on material information received in the process of enquiry, the assessing authorities may select cases for provisional assessment under section 40 and for initiation of penal proceeding under section 34 of the Orissa Value Added Tax Act in those cases where the dealers are carrying on business but not filing returns. In other cases, the Assessing Authorities may use their prudence and experience in prioritizing cases for suspension of registration certificates. Ideally, they should take up the cases of those non-filers who are being issued with different statutory forms like 'Waybill', 'C' Form, 'F' Form etc. because they are the ones who are riskier than the others.

The problem of non-filers need be addressed on war footing in order to help the genuine tax payers and to have a healthy dealers' base for proper tax administration. It is, therefore, impressed upon all the circle officers to initiate suitable legal action against the non-filers. The JCCT's in charge of Range shall review the action taken in this regard in each of the circles under his jurisdiction and submit report for each month to the Additional Commissioner of Commercial Taxes (VAT) through intra-mail i.e **adlcctnz@ctd.ori.in** in the enclosed proforma by the 15th of the succeeding month without fail.

Yours faithfully,



**Commissioner of Commercial Taxes,
Orissa, Cuttack**

Report on Action taken against non-filers during the month

Name of the Circle	No. of dealers in the circle	No. of dealers due to file return during the month.	No. of dealers not filed return during the month	No. of dealers whose Registration Certificate suspended for non submission of return	No. of dealers whose Registration Certificate was cancelled for non submission of return	No. of cases in which suspension was revoked	No. of suspension cases pending*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

No. of cases where interest / penal proceeding initiated under section 34	Amount of penalty levied under section 34(3)	No. of cases provisional assessment proceeding initiated	No. of provisional assessment order issued	Demand raised in provisional assessment
(9)	(10)	(11)	(12)	(13)

* Report cases where suspension orders are not revoked or Registration Certificate has not been cancelled.

Joint Commissioner of Commercial Taxes,
..... Range.