OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
ODISHA, CUTTACK

Letter No 5728
Rev-24[18/2016-REV-CCT

Dt 10.09.18

To
Addl.CCT / JCCT in charge of Territorial Ranges
DCCT/ ACCT in charge of Circles

Sub: In the matter of claim of refund of excess tax paid by works contractors, flowing from their returns

Ref: CCT Circular No. 14162/ CT Dt. 20.09.2017

Madam / Sir,

It has come to the notice of the undersigned that some refund applications of works contractors claiming refund of excess tax paid (flowing from their returns) pertaining to tax periods of recent past (i.e. within 5 years from the date of application) are not being attended to by Circle Officers/ Assessing Authorities on the ground that CCT Circular No 14162/ CT Dt. 20.09.2017 only refers to tax periods older than 5 years from the date of application and not to the tax periods of recent past (i.e. within 5 years from the date of application). Some Circle Officers / Assessing Authority are advising the dealers to apply for inclusion of their name in the tax audit programme for 2018-19 U/s 41 of the OVAT Act so that their refund claim can be audited and acted upon.

In view of the above, it is now clarified that the above-referred CCT Circular covers all tax periods where refund flows out of returns of the dealers, irrespective of whether the refund claim pertains to a tax period within or beyond 5 years from the date of application. Therefore, all refund claims are to be processed strictly as per the said CCT Circular. However, if the dealer is already selected for audit U/s 41 of the OVAT Act or for assessment in lieu of audit U/s 42-A of the OVAT Act for the same tax periods, then the refund application of the dealer for such tax periods shall not be acted upon as the audit assessment / assessment in lieu of audit will as such take care of the refund issue.

Claims of refund by works contractors flowing from their returns and pertaining to any tax period(s) should be disposed of accordingly.

Yours faithfully

Commissioner of Commercial Taxes
Government of Odisha, Cuttack