Vivad Se Vishwas Scheme (Revised 2024)

The **Vivad Se Vishwas Scheme (VSVA)** was initially launched to help taxpayers settle their pending tax disputes. The revised version of this scheme for 2024 would likely have a broadening of eligibility criteria to include more cases and taxpayers.

1. Eligibility

- **Individual taxpayers**, **Hindu Undivided Families (HUFs)**, **firms**, and **companies** involved in **direct tax disputes** are eligible.
- Disputes must be **pending in appeals** before the **Income Tax Appellate Tribunal (ITAT)**, **High Courts**, or **Supreme Court**.
- **Unresolved disputes** on taxes, interest, or penalties for **assessment years before 2020-21** are eligible for resolution
- **Taxpayers who have already filed appeals** or have **pending tax cases** can benefit from this scheme.

2. Reduction in Payment

- **Taxpayer Benefit:**
    - **50% of the disputed tax amount needs to be paid if the dispute exceeds ₹100.**
    - **No penalties or interest will be charged.**
    - **For small tax disputes (below ₹100), taxpayers may pay only the disputed tax amount.**
    - **For taxpayers with small tax amounts, the total payable amount can be very low.**

Example:

- **Disputed Tax ₹1,00,000 → Payment of ₹50,000 (no interest, no penalty).**

3. Payment Process

- **Step-by-Step Process**:
    1. **Eligibility Check**: Ensure the tax dispute is pending in appeals at relevant forums (ITAT, High Court, Supreme Court).

2. **Declaration Form (Form 1)**: Submit the declaration form online to the tax department, expressing intent to settle.
3. **Statement of Demand (Form 2)**: The department issues a statement with the amount to be paid under the scheme.
4. **Payment**: Make the payment via **online transfer**, **bank deposit**, or **demand draft**. The reduced payment amount will be specified in Form 2.
5. **Appeal Withdrawal**: Once payment is made, **withdraw appeals** to finalize the settlement.
6. **Confirmation**: Receive a **settlement certificate** confirming that the dispute is resolved and closed.

- **Payment Methods:**
    1. **Online Payment through the Income Tax Portal.**
    2. **Bank Transfer or Demand Draft.**

4. Benefits

- **Reduced Payment**: Pay only **50%** of the disputed tax (in most cases) with **no penalties** or **interest**.
- **Fast Resolution**: Provides a **quick resolution** of disputes, ending long-standing litigation.
- **Clarity and Certainty**: Taxpayers get **legal certainty** after making payment and withdrawing appeals.
- **Simplified Process**: **Online application** and reduced paperwork, making it easy to use.
- **Closure of Pending Disputes**: Taxpayers can **close ongoing disputes** and avoid further legal complexities.
- **No Re-opening of Cases**: Once the dispute is settled, the case cannot be re-opened by the authorities.
- **Available for Individuals and Businesses**: Both **individuals** and **companies** can benefit, making it inclusive for all taxpayers.

This **2024 revised scheme** streamlines the dispute resolution process, ensures **lower payment obligations**, and offers significant benefits for taxpayers to resolve tax issues quickly and efficiently.

5. Dates

As per the **2024 update**, any taxpayer who has a **pending dispute or appeal before 22nd July 2024** can avail the benefits of this scheme. It is crucial that the disputes are still under appeal in the relevant forums (ITAT, High Court, or Supreme Court) by this date