



# OTS Scheme for Pre-GST Tax

## Why in News?

In Gurugram, Haryana Chief Minister Manohar Lal Khattar launched **One Time Settlement-2023 (OTS) scheme** to settle pending tax payments pertaining to **pre-GST regime**.

- This scheme will be operational from **January 1 to March 30, 2024**.

## Key Points

- During the event, the CM also announced the opening of a **GST training institute** in collaboration with Haryana Institute of Public Administration (HIPA), Gurugram.
- The government plans to establish branches of the **Goods and Services Tax (GST) Tribunal** in Gurugram and Hisar to respond to the demands of traders and industry organizations.
- Under the OTS scheme, the tax amount will be divided into four categories, starting with an undisputed fee category for cases without dispute.
  - Taxpayers will pay 100% of the amount in this category, with **no penalties or interest**.
  - In case of disputed taxes under **₹50 lakh**, taxpayers will pay **30%** of the outstanding amount and if the disputed tax amount is above **₹50 lakh**, they will pay **50%**.
  - In the third category, undisputed taxes will be assessed by the department where no appeal was made. Taxpayers will pay **40%** if the amount is below **₹50 lakh** and **60% if it is above ₹50 lakh**. There will be relief from penalties and interest.
  - The fourth category includes outstanding amounts due to differences in tax rates. Here, the government has discounted the amount, requiring taxpayers to pay **only 30% of the total**.
- If the outstanding amount is **between ₹10 lakh and ₹25 lakh**, the amount can be paid in two installments.
  - If the outstanding is **more than ₹25 lakh**, the payment can be spread across **three installments: 40% in the first 90 days, 30% in the next 90 days, and 30% in the final 90 days**.
- OTS scheme addresses outstanding tax issues pertaining to the excise and taxation department until June 30, 2017. It specifically resolves concerns related to seven **VAT-related acts**.