Direct Tax Vivad Se Vishwas Scheme 2024

The key aspects of the VSV 2024 as introduced in the Finance Bill 2024 are detailed ahead.

A. Eligible taxpayer:

Any taxpayer can apply for the Scheme in cases where -

- Appeals/ writ petition/ special leave petition has been filed either by the appellant or tax authority before any forum;
- A taxpayer has filed objections before the Dispute Resolution Panel (DRP) under section 144C of the Income Tax Act, 1961 (Act) and DRP has not issued any directions on or before the specified date;
- A taxpayer in whose case DRP has issued direction but the Assessing Officer (AO) has not completed the assessment; or
- A taxpayer who has filed an application for revision under section 264 of the Act and such application is pending as on the specified date.

B. Ineligible cases:

The Scheme is not applicable with respect to tax arrears in cases relating to:

- Search cases: An assessment year in respect of which an assessment has been made on the basis of search initiated under section 132 or section 132A of the Act.
- Prosecution matters: An assessment year in respect of which prosecution has been instituted on or before the date of filing of declaration.
- Black money law cases: Any undisclosed income from a source located outside India or an undisclosed asset located outside India.
- Matters involving exchange of information with foreign countries: An assessment or reassessment made on the basis of information received under an agreement referred to in section 90 or section 90A of the Act, if it relates to any tax arrears.
- Others: Any taxpayer who has violated provisions of other specified laws.

C. Key terms:

- '**Disputed Income'** in relation to an assessment year means the whole or so much of total income as is relatable to the 'Disputed Tax';
- '**Disputed Tax**' means the Income Tax including surcharge and cess payable under the Act as computed as follows:

Particulars	**Disputed Tax**
Appeal or Writ petition or Special Leave Petition (SLP)	Amount of tax that is payable by the appellant if such appeal or Writ petition or SLP was to be decided against him

Where objection filed by the appellant is pending before the DRP	Tax payable by the appellant if the DRP was to confirm the variation proposed in the draft order
Where DRP has issued any direction, and the AO has not passed the final assessment order on or before the specified date	Amount of tax payable by the appellant as per the assessment order to be passed by the AO

In a case where the dispute in relation to an assessment year relates to reduction of tax credit under section 115JAA or section 115JD of the Act, or any loss or depreciation computed thereunder, the appellant shall have an option either to include the amount of tax related to such tax credit or loss or depreciation in the amount of disputed tax, or to carry forward the reduced tax credit or loss or depreciation, in such manner as may be prescribed.

- **'Disputed Interest'** means the interest determined in any case under provisions of the Act where i) such interest is not charged or chargeable on disputed tax; ii) an appeal has been filed by the appellant in respect of such interest.

- **'Disputed Fee'** means the fee determined under the provisions of the Act in respect of which an appeal has been filed by the Appellant.

- **'Disputed Penalty'** means the penalty determined in any case under provisions of the Act where i) such penalty is not levied or leviable in respect of disputed income or disputed tax, as case may be; ii) an appeal has been filed by the appellant in respect of such penalty.

Sr. no.	**Particulars**	**On or before 31 December 2024**	**On or after the 01 January 2025 but on or before last date**
1	Cases (where the tax arrear is aggregate of disputed tax, interest thereon and penalty) and appeal is filed after 31 January, 2020 but before 22 July 2024	Amount of disputed tax	110% of amount of disputed tax
2	Cases (where the tax arrear is aggregate of disputed tax, interest thereon and penalty) and appeal is filed on or before 31 January 2020	110% of amount of disputed tax	120% of amount of disputed tax
3	Cases involving interest, penalty or fees (where tax arrear relates to disputed interest or penalty or disputed fee) and the appeal is filed after 31 January 2020 but before 22	25% of disputed interest/ penalty/ fee	30% of disputed interest/ penalty/ fee

	July 2024		
4	Cases involving interest, penalty or fees (where tax arrear relates to disputed interest or penalty or disputed fee) and the appeal is filed on or before 31 January 2020	30% of disputed interest/ penalty/ fee	35% of disputed interest/ penalty/ fee

- **'Appellate Forum'** means the Supreme Court or the High Court or the Income Tax Appellate Tribunal or the Commissioner (Appeals) or Joint Commissioner (Appeals), as the case may be.

- '**Specified date'** means **22 July 2024.**

D. Amount payable under the Scheme:

The amount of tax/ arrear payable by the taxpayer under this Scheme is tabulated below: