

# Vivad Se Vishwas Scheme, 2024



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**Showing serious concerns towards reducing tax litigation in India, Government re-introduced Vivad Se Vishwas Scheme with some modifications giving another chance for taxpayers to get out of litigation.**

In the year 2020 Direct Tax Vivad Se Vishwas Scheme was introduced for resolution of certain income tax disputes pending in appeal at different levels. The 2020 Scheme got a very encouraging response from the taxpayers and also resulted in garnering substantial revenue for the Government. However, backlog of appeals did not reduce much. Hence, **the government has proposed a newer version of Direct Tax Vivad Se Vishwas Scheme, 2024**, from a date yet to be notified.

**Eligible taxpayer** (whether resident or non-resident) whose matter is pending in appeal (with Supreme Court, High Court, ITAT or Commissioner Appeals) or a writ petition/SLP or pending before the Dispute Resolution Panel or pending with Commissioner for revision can avail 2024 Scheme, except for cases relating to search and seizure, etc.



**Pending matter** may relate to income-tax liability (including surcharge and cess), interest, levy of penalty or fees or credit of taxes.

**Benefit of this Scheme is not only getting rid of prolonged tax litigation, but also immunity from interest and penalty and reduction of tax liability as described below:**

## Vivad Se Vishwas Scheme, 2024

S. No.	Nature of tax arrear	Amount payable on or before 31.12. 2024	Amount payable after 01.01. 2025 but before last date (to be notified)
1	Where the appeal is filed for amount of disputed tax, interest and penalty chargeable on such disputed tax after January 31, 2020, but before July 22, 2024	Disputed tax amount.	Disputed tax amount plus 10% of the disputed tax amount only
2	Where the appeal is filed for amount of disputed tax, interest and penalty chargeable on such disputed tax before January 31, 2020	Disputed tax amount plus 10% of the disputed tax amount.	Disputed tax amount plus 20% of the disputed tax amount only
3	Where the appeal filed for disputed interest or disputed penalty or disputed fee after January 31, 2020, but before July 22, 2024	25% of disputed interest or disputed penalty or disputed fee.	30% of disputed interest or disputed penalty or disputed fee
4	Where the appeal filed for disputed interest or disputed penalty or disputed fee before January 31, 2020	30% of disputed interest or disputed penalty or disputed fee.	35% of disputed interest or disputed penalty or disputed fee

The abovementioned amounts will be reduced to 50% if the appeal or Writ or SLP is filed by the income-tax authorities or if the appeal is filed by the taxpayer on a matter which was already decided to his favour by the higher level appellate forum.

**This Scheme is specifically beneficial where dispute is regarding imposition of penalty and interest as 75% demand will be waived-off.**

**A genuine taxpayer if he thinks that he can win case in appellate forums, such taxpayer may give a second thought to the Scheme as 100% to 110% tax is required to be paid to avail this Scheme.**