

Avail benefits under VCES, pay tax dues: FinMin tells industry

To boost indirect tax collections, Revenue Secretary Sumit Bose today asked representatives of the industry to avail the benefits under Service Tax Voluntary Compliance Encouragement Scheme (VCES) 2013 and pay their dues.

"He (Revenue Secretary) asked the representatives of the industry to ask their members to avail the benefits under VCES 2013 and pay their due taxes and avoid interest, penalty and prosecution under Service Tax law," the Finance Ministry said in a statement.

Bose said that the concerns of the industry relating to VCES 2013 will be duly addressed and the necessary clarification(s) wherever required, will be issued at the earliest, the statement added.

He was addressing the representatives of CII, FICCI, PHD Chambers of Commerce, Associated Chambers of Commerce (ASSOCHAM) and Institute of Chartered Accountants of India (ICAI) to discuss and know the concerns of the industry and trade sector with regard to VCES-2013.

The VCES, a first-of-its-kind scheme, was introduced by Finance Minister P Chidambaram while presenting Budget for 2013-14. It came into force after passage of Finance Bill on May 10, and it can be availed by a service tax defaulter by this year end.

Bose said service sector contributes about 65 per cent of the Gross Domestic Product(GDP) of country but the number of service tax payers is quite less.

Chidambaram had recently also said that of the 17 lakh registered assesses under Service tax, only seven lakh were filing returns.

Many have simply stopped filing returns. We cannot go after each of them. I have to motivate them to file returns and pay the tax dues. Hence, I propose to introduce a one-time scheme called 'Voluntary Compliance Encouragement Scheme'," the Finance Minister had said in his Budget speech.

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