

Key Proposals In The Maharashtra Budget 2023

Mar 11, 2023

Author(s) : [Jignesh Ghelani \(https://elplaw.in/people/jignesh-ghelani\)](https://elplaw.in/people/jignesh-ghelani)

The Deputy Chief Minister (Finance) of Maharashtra in his budget speech on 9th March 2023 made the following key proposals:

1. Amnesty Scheme, 2023:

Amnesty Scheme, 2023 will be known as the "Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2023". The scheme proposes to cover various taxes levied prior to introduction of Goods and Service Tax. The salient features of the Amnesty Scheme, 2023 are as under:

- **Duration of the scheme:**

The time period for applications for availment of the benefits of the scheme shall be from 1st May 2023 to 31st October 2023. The scheme will be applicable for the arrears pending as on 1st May 2023.

- **Benefits of the scheme:**

Complete waiver in cases where arrears amount to Rs. 2,00,000/- or less per year.

Partial waiver for dealers having arrears up to Rs. 50,00,000 or less per statutory order. The assessee would need to only pay 20% of the arrears and the balance 80% will be waived.

2. Reduction of Value Added Tax ("VAT") on Aviation Turbine Fuel ("ATF"):

- VAT on ATF has been proposed to be reduced from 25% to 18% (equivalent to Bengaluru and Goa) in the geographical areas of Brihanmumbai Municipal Corporation, Pune Municipal Corporation and Raigad District.
- The rationale for this move is to encourage air transport and accelerate economic growth.

3. Profession Tax

- The female employees drawing monthly salary up to Rs. 25,000 will be exempted from Profession Tax.
- The definition of 'Person with Disability' in the Profession Tax Act is proposed to be amended as per the definition given in the Rights of the Persons with Disabilities Act, 2016 with a wider coverage.

ELP Comments:

- Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late fee Act, 2022 ("The Amnesty Scheme 2022") allowed a complete waiver of arrears of Rs. 10,000/- and partial waiver of arrears Rs. 10,00,000/- as per statutory order. An increase in percentage of waiver of arrears in comparison with the Amnesty Scheme, 2022 is a welcome move.
- Details of the implementation of the Amnesty scheme, 2023 outlining the coverage and the procedural aspects are awaited.
- Presently, profession tax for women employees is exempt for a salary drawn up to Rs.10,000/-. An enhancement of limit to Rs.25,000/- is a welcome move to increase the purchasing power of women.
- The amendment of definition of 'Person with Disability' to align it with the definition as per Rights of the Persons with Disabilities Act, 2016 is an initiative to increase the number of disabled persons to be eligible for Profession Tax exemption and also simplify the process of taking such exemption.

Privacy Policy (<https://elplaw.in/privacy-policy/>) Terms Of Use (<https://elplaw.in/terms-of-use/>)

Disclaimer (<https://elplaw.in/disclaimer/>) Sitemap (<https://elplaw.in/sitemap/>)



(<https://www.facebook.com/elplaw.in>)



(<https://www.twitter.com/ELPIndia>)



(<https://www.linkedin.com/company/economic-laws-practice>)