

**Leaflet 09**

**REFUNDS**

**01. WHO CAN CLAIM REFUNDS OF VAT ?**

The situations in which a refund can be claimed are:

- a) VAT dealers making international exports in any tax period.
- b) VAT dealers who have carried forward a credit for 24 months from the date of commencement of the Act.
- c) VAT dealers who carry forward credit upto March every year provided they are in business for 12 months.
- d) VAT dealers cancelling their registration who have a credit balance at the time of cancellation.
- e) Where refund arises as a result of decision of Appellate Authority or Court.

**02. WHAT ARE THE CONDITIONS RELATED TO REFUND CLAIMS ?**

- a. You must have filed all VAT returns due.
- b. You must have paid all taxes declared as due on those returns.
- c. You must have paid all outstanding arrears, penalties and interests under APGST Act '57, CST Act '56 and APVAT Act 2005.

**03. ARE THERE ANY SPECIAL CONDITIONS RELATED TO REFUND CLAIMS BY EXPORTERS ?**

Yes. See Leaflet No. 24

**04. WHAT OTHER CONDITIONS ARE THERE FOR REFUND CLAIMS NOT RELATED TO EXPORTS ?**

- a. If you have a credit carried forward upto March and are in business for a period of 12 months a claim may be made for refund. However no refund claim can be made until March 2007 except by exporters.
- b. If you are cancelling your registration and the cancellation has been approved by the tax department you will be sent a final return covering the outstanding period upto the date of cancellation. If you have completed that return to the satisfaction of the tax department and there is a credit balance you can claim this amount as a refund on that return.
- c. Where an order of Appellate Authority / Tribunal / High Court is accepted and no further appeal/revision is made by the department, any refund arising out of such order shall be payable within 90 days from the date of the receipt of the order.  
However, you are required to produce accounts or records required by the Department within 7 days of issue of notice.

**05. HOW DO I MAKE A CLAIM FOR REFUND?**

You can claim a refund on the VAT return itself by completing Box 23 except in the case of appellate orders. In this case the tax department will issue a Form within 15 days of receipt of the appellate order. You have to confirm the claim on the same Form within 15 days of receipt of the Form.

**06. HOW WILL A VAT REFUND BE MADE ?**

The Tax Office will issue a refund advice together with a voucher for the amount due.

**07. CAN I OFFSET ANY REFUND I HAVE CLAIMED AND NOT RECEIVED IN A PREVIOUS TAX PERIOD AGAINST TAX DUE IN A LATER PERIOD?**

No. Once you have made a claim for a refund you must await the receipt of refund. Any tax due on subsequent return shall be paid by the due date.

**08. IS IT TO MY BENEFIT TO ALWAYS CLAIM THE REFUND THAT I AM ENTITLED TO ?**

Not always. If it appears by the 20th of the month when you file your return that you will be due to pay VAT or CST in the next return it will be to your benefit to carry forward the credit.

**09. WHAT SHOULD I DO TO OBTAIN FURTHER INFORMATION?**

Contact your local Tax Office.