Value Added Tax Act, 2003

Section 47 - Payment and Disbursement of Amounts Wrongly Collected by Dealer as Tax

(1) Subject to Section 30, where any amount is collected by way of tax or purporting to be way of tax from any person by any dealer, whether knowingly or not, such dealer shall pay the entire amount so collected, to the prescribed authority within twenty days after the close of the month in which such amount was collected, notwithstanding that the dealer is not liable to pay such amount as tax or that only a part of it is due from him as tax under this Act.

(2) If default is made in payment of the amount in accordance with sub-section (1), -

(a) the whole of the amount outstanding on the date of default shall become immediately due and shall be a charge on the properties of the dealer;

(b) the dealer liable to pay the amount shall pay interest at the rate of two per cent of such amount for each month of default and

(c) the whole of the amount remaining unpaid along with the interest calculated under clause (b) of this sub-section shall be recoverable in the manner specified in Section 42.

(3) Notwithstanding anything contained in this Act, or in any other law for the time being in force, any amount paid or payable by any dealer under sub-section (1), shall, to the extent it is not due as tax be forfeited to the Government and be recovered from him and such payment or recovery shall discharge him of the liability to refund the amount to the person from whom it was collected.

(4) Where any amount is paid or recovered by or from any dealer under sub-section (1) or (3), a refund of such amount or any part thereof can be claimed from Government by the person from whom, it was realized by way of tax provided an application in writing in the prescribed form is made to the Commissioner, within two years from the date of the order of forfeiture. On receipt of any such application, the Commissioner shall hold such inquiry as he deems fit and if the commissioner is satisfied that the claim is valid and admissible, and that the amount so claimed as refund is actually paid or recovered, he shall refund the amount or any part thereof, which is found due to the person concerned.

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