

ST- VAT Advisory Visits VAT leaflet 111

Q What is a VAT advisory visit?

A This is a visit carried out by Sales Tax Department officers to newly registered dealers under the Maharashtra VAT Act, 2002. The purpose of the visit is to: · Check that all the details of your registration are complete · help you to understand your obligations under the Act, and · assist you to maintain the appropriate records and accounts.

Q Why do I need an advisory visit?

A With the new VAT, the Sales Tax Department will no longer assess you for the tax due at the end of the year. VAT is a self assessment system and you have to declare your true VAT liability for each return period. The purpose of the advisory visit is to ensure that you understand how to account for VAT, claim set-off and complete your VAT return. You will also learn how VAT affects your business and how to file your return and pay any VAT due. By providing this information the Sales Tax Department is trying to ensure that you do not incur any penalties or interest charges by failing to comply with the legal requirements of being registered for VAT.

Q What is the difference between an advisory visit and an audit visit?

A · During an advisory visit, the officer will deal with your VAT queries, educate you on how to maintain your records, file your returns, and answer any other VAT related queries. · During an audit, the officer will examine your books and records and the details of your VAT returns. The officer will also help you with any VAT problems you may have.

Q Can I have my tax advisor, accountant or any other person involved with my VAT accounts present for the advisory visit?

A Yes. You can have any professional advisor present. It is essential, however, that the responsible person (e.g. sole proprietor, responsible partner / director) is present.

Q How do I know when an advisory visit will take place?

A An advisory visit will follow shortly after you receive your new VAT Registration Certificate. The Sales Tax Department will contact you to arrange a visit to your place of business at a convenient time.

Q How do I obtain information before I receive an advisory visit?

A · By asking the officer who processes your registration application · By referring to the other VAT leaflets available