READY RECKONER UNDER SERVICE TAX

1.1. Service Tax Rates - History

Rate of Service Tax			Effective from
Basic	Education cess	SHE Cess	
14%	N.A.	N.A.	June 1, 2015
12%	2%	1%	April 1, 2012
10%	2%	1%	February 24, 2009
12%	2%	1%	June1, 2007
12%	2%	Nil%	April 18, 2006
10%	2%	N.A.	September10, 2004
8%	N.A.	N.A.	May 14, 2003
5%	N.A.	N.A.	July 1 , 1994

Further, Swachh Bharat Cess has been levied with effect from November 15, 2015.

Effective Rates after Levy of Swachh Bharat Cess

S.no.	Particular		Effective Service Tax Rate	Effective Swach Bharat Cess Rate	Total Tax
A.	**Generic Rate**	**- Applicable on all taxable services**	**14%**	**0.50%**	**14.50%**
B.	**Non Taxable Services** - Services provided in Non taxable Territory - Services listed in Negative List - Services provided without consideration		**0%**	**0%**	**0%**
C.	**Wholly Exempted Services** - Notificaiton No. 25/2012-Service Tax dated 20.06.2012 (Mega Exemption), - Notification No 33/2012-Service Tax (SSI Exemption), - Notification No. 14/ 2012 – Service tax (Import of Technology), - Notification No 32/2012-Service Tax (Services by TBI / STEP), - Notification No. 12/2013 (Services to SEZ), - Notification No. 29/2012- Service Tax (Property tax in renting), - Notification No. 6/2013-Service Tax (Exemption against Focus Market Scheme Scrips), - Notification No. 7/2013-Service Tax		**0%**	**0%**	**0%**

	(Exemption against Focus Product Scheme Scrips), - Notification No. 8/2013-Service Tax (Exemption against Vishesh Krishi and Gram Udyog Yojana), - Notification No. 11/2015-Service Tax (Exemption against Service Exports from India Scheme), - Notification No. 10/2015-Service Tax (Exemption against Merchandise Exports from India Scheme)			

D. Services with partial exemptions (Abatement)

S.No.	Income Heads	Rates Effective From Novembe 15, 2015						
		Taxable Value	Effective Service Tax Rate	Effective Swach Bharat Cess Rate	Total Effective Tax Rate	CENVAT credit Condition (Note - 2)		
						Input	Capital Goods	Input Services
1	Services in relation to financial leasing including hire purchase	10%	1.40 %	0.05%	1.45%	Allowed	Allowed	Allowed
2	Transport of Goods by Rail	30%	4.20 %	0.15%	4.35%	Allowed	Allowed	Allowed
3	Transport of Passengers with or without accompanied belongings by Rail	30%	4.20 %	0.15%	4.35%	Allowed	Allowed	Allowed
4	Bundled service by way of supply of food or any other article of human consumption or any drink, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organizing a function) together with renting of such premises	70%	9.80 %	0.35%	10.15 %	Allowed except goods falling in Chapter 1 to 22	Allowed	Allowed

5	Transport of passengers by air with or without accompanied belongings					Not Allowed	Not Allowed	Allowed
	- In economy class	40%	5.60 %	0.20%	5.80%			
	- In higher class other than economy class	60%	8.40 %	0.30%	8.70%			
6	Renting of inns, hotels, Guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes	60%	8.40 %	0.30%	8.70%	Not Allowed	Not Allowed	Allowed
7	Services of goods transport agency in relation to transportation of goods	30%	4.20 %	0.15%	4.35%	Not Allowed	Not Allowed	Not Allowed
8	Renting of motor cab designed to carry passengers	40%	5.60 %	0.20%	5.80%	Not Allowed	Not Allowed	Not Allowed (Except rent a cab operator)
9	Transport of passengers, with or without accompanied belongings, by a contract carriage other than motorcab or a radio taxi.	40%	5.60 %	0.20%	5.80%	Not Allowed	Not Allowed	Not Allowed
10	Transport of goods in a vessel	30%	4.20 %	0.15%	4.35%	Not Allowed	Not Allowed	Not Allowed
11	Services by Tour operator in relation to:							
	-Package Tour	25%	3.50 %	0.13%	3.63%	Not Allowed	Not Allowed	Not Allowed (Except tour operator)
	-Solely of arranging or booking accommodation	10%	1.40 %	0.05%	1.45%			
	-in other cases	40%	5.60 %	0.20%	5.80%			

12	Construction of a complex, building, civil structure or a part thereof, intended for a sale to a buyer, wholly or partly except where entire consideration is received after issuance of completion certificate by the competent authority for a residential unit satisfying both the following conditions, namely:–							
	(i) the carpet area of the unit is less than 2000 square feet; and (ii) the amount charged for the unit is less than rupees one crore;	70%	9.80 %	0.35%	10.15 %	Not Allowed	Allowed	Allowed
13	Construction of a complex, building, civil structure or a part thereof, intended for a sale to a buyer, wholly or partly except where entire consideration is received after issuance of completion certificate by the competent authority for all the properties other than covered in point 12 above.	75.00%	10.50%	0.38%	10.88 %	Not Allowed	Allowed	Allowed

E. Services where valuation is determined

Particular	Taxable Value	Effective Service Tax Rate	Effective Swach Bharat Cess Rate	Total Effective Tax Rate
Works Contract - Original Works	40%	5.60%	0.20%	5.80%
Works Contract - Others	70%	9.80%	0.35%	10.15%
Restaurant	40%	5.60%	0.20%	5.80%
Outdoor Catering	60%	8.40%	0.30%	8.70%

F. Service Tax at Special rates

Service Provider	Services	Effective Service Tax Rate	Effective Swach Bharat Cess Rate
Money Changer	Services in relation to purchase or sale of foreign currency for an amount upto rupees 100,000	0.14%	0.005%
	Services in relation to purchase or sale of foreign currency for an amount exceeding Rs. 100,000 but upto rupees 1000,000	Rs. 140 + 0.07%	Rs. 5 + 0.0025%
	Services in relation to purchase or sale of foreign currency for an amount exceeding Rs. 1000,000	Rs. 770 + 0.014%	Rs. 5 + 0.0005%
Lottery	Guarantee payout more than 80%	Rs 8200 on every Rs 10 Lakh (or part thereof)	Rs 293
	Guarantee payout less than 80%	Rs 12,800 on every RS 10 Lakh (or part thereof)	RS 457
Insurance	First year of Policy	3.50%	0.125%
	Subsequent years	1.75%	0.063%
Air Travel Agent	Domestic Travel	0.70%	0.025%
	Foreign Travel	1.40%	0.050%

G. Reverse Charge Mechanisms

Taxability of Domestic Reverse Charge Liability

S.No.	Service	Rates Effective From November 15, 2015				
		Taxable Value	Effective Service Tax Rate	Effective Swach Bharat Cess Rate	Total effective Tax	Remarks
1	Rent A Cab	40%	5.60%	0.20%	5.80%	If service Receiver has opted for abatement
2	Rent A Cab	50%	7.00%	0.25%	7.25%	If service Receiver has not opted for abatement
3	Manpower Supply	100%	14.00%	0.50%	14.50%	
4	Security Services	100%	14.00%	0.50%	14.50%	
5	Payment to Advocates and Lawyers	100%	14.00%	0.50%	14.50%	

6	Payment for Spnsorship	100%	14.00%	0.50%	14.50%	
7	Transportation of Goods By Road	30%	4.20%	0.15%	4.35%	
8	Payment to Independent Director	100%	14.00%	0.50%	14.50%	
9	Works Contract- For Original Works	20%	2.80%	0.10%	2.90%	
9	Works Contract- For Other Works	35%	4.90%	0.18%	5.08%	
10	Payment to Arbiteral tribunal	100%	14.00%	0.50%	14.50%	

H. Point of Taxation

Situation	Services provided	Invoice Issued	Payment received	Whether SBC applicable
Situation A	Before	Before	Before	No
Situation B	Before	Before	After	Yes
Situation C	Before	After	After	Yes
Situation D	Before	On or before 29th Nov 2015	Before	No
Situation E	Before	After Nov 29 2015	Before	Yes
Situation F	After	On or before 29th Nov 2015	Before	No
Situation G	After	After Nov 29 2015	Before	Yes
Situation H	After	Before	Before	Yes
Situation I	After	Before	After	Yes
Situation J	After	After	After	Yes

I. Collection Code

Swachh Bharat Cess (Minor Head)	Tax Collection	Other Receipts	Penalties	Deduct Refunds
0044-00-506	441493	441494	441496	441495

1.2. <u>Due date for payment of Service Tax:</u>

Service Provider	Monthly/ Quarterly Due dates	Due date for the March and Quarter ending March
Individuals and Firms	5th of the month following the quarter ended June, Sep, Dec.	31st March
Others	5th of the following month	31st March

- In case of e- payment, due date shall be 6th of the respective month / quarter, however w.e.f October 1st, 2014 E-Payment of service tax has been made compulsory for every person liable to pay service tax. Accordingly, the due date for all the assesse will be 6th of respective month/quarter.
- Payment by Cenvat credit should be mad eby 5th and not 6th.
- If last date for paying tax is a public holiday, tax may be paid on the next working day.
- Tax is paid through GAR – 7 challan.

- Prior to October 1, 2014 only big assesses with a service tax liability of Rs.10 lakhs and above has to pay tax electronically.
- Interest in case of delayed payment of service tax:-

1.3. Interest on delayed payments

Rate of interest (p.a.)	Effective from
30% for any delay beyond one year.	October 1, 2014
24%for the period delays 6 month to one year,	October 1, 2014
18% if period of delay upto 6 months	October 1, 2014
18% (For Assessees having Taxable turnover above Rs 60 Lakhs)	April 1, 2011
15% (For Assessees having Taxable turnover below Rs 60 Lakhs)	April 1, 2011
13%	September 10, 2004
15%	August 16, 2002
24%	July 16, 2001
18%	July 1, 1994

1.4. Penalties in case of defaults

Failure to	Penalty upto 7-4-2011	Penalty w.e.f. 8-4-2011
Get registration	Higher of: 1. Rs.5,000 2. Rs.200 per day starting from the first day after the due date till actual compliance date	Higher of: 1. Rs.10,000 2. Rs. 200 per day starting from the first day after the due date till actual compliance date **However, wef May 10, 2013, a flat penalty of Rs 10,000/-**
Maintain or retain books of account or documents	Upto Rs.5,000	Upto Rs.10,000
Furnish information/produce documents/appear before Central Excise Officer, when called	Higher of: 1. Rs.5,000 2. Rs. 200 per day starting from the first day after the due date till actual compliance date	Higher of: 1. Rs.10,000 2. Rs. 200 per day starting from the first day after the due date till actual compliance date
Pay tax electronically when required	Upto Rs.5,000	Upto Rs.10,000
Account for an invoice or in case of incomplete invoices	Upto Rs.5,000	Upto Rs.10,000
Any other contravention	Upto Rs.5,000	Upto Rs.10,000