

TAX LIST AND ABATEMENTS

TAX RATES & ABATEMENTS
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GENERAL RATE OF SERVICE TAX

ST = Service Tax

EC = Education Cess

SHEC = Secondary & Higher Education Cess

S. No.	Period	ST Rate	EC	SHEC	Effective Rate
1.	01.07.1994 to 13.05.2003	5.00%	N.A.	N.A.	5.00%
2.	14.05.2003 to 09.09.2004	8.00%	N.A.	N.A.	8.00%
3.	10.09.2004 to 17.04.2006	10.00%	2.00%	N.A.	10.20%
4.	18.04.2006 to 31.05.2007	12.00%	2.00%	N.A.	12.24%
5.	01.06.2007 to 23.02.2009	12.00%	2.00%	1.00%	12.36%
6.	24.02.2009 to 31.03.2012	10.00%	2.00%	1.00%	10.30%
7.	01.04.2012 till date	12.00%	2.00%	1.00%	12.36%

Presentation: All the components must be shown separately, viz:

- ₹ 1,00,000 Value
- ₹ 12,000 service tax
- ₹ 240 Education Cess, and
- ₹ 120 Secondary & Higher Education Cess
- Total: ₹ 1,12,360.

ABATEMENTS

(Notification No. 26/2012) [Service Tax will be charged on taxable value @ 12.36%]

ENTRY NO.	DESCRIPTION OF ENTRY	AMOUNT CHARGED BY SERVICE PROVIDER		CENVAT CREDIT AVAILABLE		
		ABATEMENT (%)	TAXABLE VALUE (%)	INPUTS	INPUT SERVICES	CAPITAL GOODS
(1)	Hire Purchase including financial leasing [<i>**Lease management fee, processing fee, documentation charges and administrative fee, etc.</i>]	90.00% excluding service charges	10.00% of interest + processing fees, etc.**	Yes	Yes	Yes
(2)	Transport of goods by rail	70.00%	30.00%	Yes	Yes	Yes
(3)	Transport of passengers with or without accompanies belongings, by rail	70.00%	30.00%	Yes	Yes	Yes

ENTRY NO.	DESCRIPTION OF ENTRY	AMOUNT CHARGED BY SERVICE PROVIDER		CENVAT CREDIT AVAILABLE		
		ABATEMENT (%)	TAXABLE VALUE (%)	INPUTS	INPUT SERVICES	CAPITAL GOODS
(4)	Catering with Renting	30.00%	70.00% of total amount**	No credit of inputs falling under Ch. 1 to 22 of Excise Tariff; Credit allowed on other inputs	Yes	Yes
(5)	Transport of passengers with or without accompanies belongings, by air	60.00%	40.00%	No	Yes	No
(6)	Renting of any hotel, inn, etc: Services for lodging purposes	40.00%	60.00%	No	Yes	No
(7)	Transport of goods by road by goods transport agency	75.00%	25.00%	No	No	No
(8)	Chit related services	30.00%	70.00%	No	No	No
(9)	Renting of any motor vehicle designed to carry passengers	60.00%	40.00%	No	No	No
(10)	Transport of goods in a vessel	50.00%	50.00%	No	No	No
11(i)	Tour operator – Package tour (<i>Sum charged must be inclusive of entire package</i>)	75.00%	25.00%	No	No	No
11(ii)	Tour operator – Arranging Accommodation only (No other service) (<i>Sum charged inclusive of cost of accommodation</i>)	90.00%	10.00%	No	No	No
11(iii)	Tour operator – Residual	60.00%	40.00%	No	No	No
SPACE INTENTIONALLY LEFT BLANK						

ENTRY NO.	DESCRIPTION OF ENTRY	AMOUNT CHARGED BY SERVICE PROVIDER		CENVAT CREDIT AVAILABLE		
		ABATEMENT (%)	TAXABLE VALUE (%)	INPUTS	INPUT SERVICES	CAPITAL GOODS
12	Construction of a complex related services falling u/s 66E(b) – (a) Residential Unit- (i) With carpet area less than 2,000 square feet; AND (ii) Amount charged less than ₹ 1 crore for such unit. <i>(Both conditions must be satisfied).</i>	75.00%	25.00% on total amount##	No	Yes	Yes
	(b) Any other case viz.- (i) Commercial units, OR (ii) Residential units having carpet area of 2,000 square feet or more, OR (iii) Residential units priced above ₹ 1 crore or more. <i>(Any of the above cases (i) to (iii).</i> [##Total amount = Amount charged (including value of land) + FMV of goods / services received from service recipient (excluding taxes) – Amount charged by service recipient (excluding taxes)	70.00%	30.00% on total amount##	No	Yes	Yes

COMPOSITION SCHEMES

[Rule 6 of Service Tax Rules, 1994]

RULE	DESCRIPTION OF SERVICE	COMPOSITION TAX PAYABLE
6(7)	Air Travel Agent: In case of domestic bookings of passage for travel by air.	ST = 0.6% of basic fare + 3% EC and SHEC thereon
	Air Travel Agent: In case of international bookings of passage for travel by air.	ST = 1.2% of basic fare + 3% EC and SHEC thereon
6(7A)	Life Insurance Business – Risk Premium only – Option not available – Tax on full value: The option under Rule 6(7A) is not available in cases where the entire premium paid by the policy holder is only towards risk cover in life insurance.	Service Tax shall be paid on full premium i.e, Service Tax as per normal provisions = 12.36%, of taxable value / premium
	Life Insurance Business – Investment / savings policy – sum invested intimated to policy holder: If the amount allocated for investment, or savings on behalf of policy holder is intimated to the policy holder at the time of providing of service.	Taxable Value = Gross premium charged from a policy holder – Amount allocated for investment, or savings on behalf of policy holder. Service Tax @ 12.36% on above value.
	Life Insurance Business – Any other case	(i) In the first year: 3% of premium charged from a policy holder + 3% EC and SHEC. (ii) In the subsequent years: 1.5% of the premium charged from policy holder + 3% EC and SHEC
6(7B)	Money – purchase of sale of foreign currency, including money changing-	
	Gross amount of currency changed up to ₹ 1,00,000	ST payable will be <u>higher</u> of- • 0.12% of gross amount of currency exchanged; or • ₹ 30 <i>EC & SHEC @ 3% Extra.</i>
	Gross amount of currency changed more than ₹ 1,00,000 but up to ₹ 10,00,000	ST = ₹ 120 + 0.06% of (gross amount of currency exchanged – 1 lakh) <i>EC & SHEC @ 3% Extra.</i>
	Gross amount of currency changed more than ₹ 10,00,000	ST payable will be <u>lower</u> of- • ₹ 660 + 0.012% of (gross amount of currency exchanged – ₹ 10 lakh) • ₹ 6,000 <i>EC & SHEC @ 3% Extra.</i>

6(7C)	Lottery – Distributor or selling agent engaged in promoting, marketing, etc. of lottery	
	If the lottery or lottery scheme is one where the guaranteed prize payout is <u>more than 80%</u> .	₹ 7,000 on every ₹ 10 lakh or part of ₹ 10 lakh of aggregate face value of lottery tickets PRINTED by the organizing State for a draw. <i>(In case of online lottery, value of tickets sold is taken).</i>
	If the lottery or lottery scheme is one where the guaranteed prize payout is <u>less than 80%</u> .	₹ 11,000 on every ₹ 10 lakh or part of ₹ 10 lakh of aggregate face value of lottery tickets PRINTED by the organizing State for a draw. <i>(In case of online lottery, value of tickets sold is taken).</i>

