

Bimal Jain

FCA, FCS, LLB, B.Com (Hons)

<u>Effective rates under the Abatement Notification No. 26/2012-ST dated June 20, 2012 as amended</u>					
Sl. No.	Description of taxable service	Taxable per cent (%)	Effective rate of ST: 01.06.2015 to 14.11.2015 (%)	Effective rate of ST: 15.11.2015 (after Introduction of SB Cess @ 0.5%) to 31.05.2016 (%)	Effective rate of ST: 1.06.2016 (after Introduction of KKC @ 0.5%) (%)
1	Financial leasing including hire purchase	10	1.4 (14%*10%)	1.45 (14.5%*10%)	1.5 (15%*10%)
2	Transport of goods by rail (other than service specified at Sl. No. 2A below)	30	4.2 (14%*30%)	4.35 (14.5%*30%)	4.5 (15%*30%)
2A	Transport of goods in containers by rail by any person other than Indian Railways	40	NA	Entry inserted vide NN 8/2016-ST dated 01.03.2016 w.e.f 01.04.2016 Applicable rate of ST w.e.f 01.04.2016 to 31.05.2016: 5.8 (14.5%*40%)	6 (15%*40%)
3	Transport of passengers, with or without accompanied belongings by rail	30	4.2 (14%*30%)	4.35 (14.5%*30%)	4.5 (15%*30%)
4	Bundled services by way of supply of food or any other article of human consumption or any drink, in a premises together with renting of such premises	70	9.8 (14%*70%)	10.15 (14.5%*70%)	10.5 (15%*70%)

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5	Transport of passengers by air, with or without accompanied belongings in -				
	(i) economy class	40	5.6 (14%*40%)	5.8 (14.5%*40%)	6 (15%*40%)
	(ii) other than economy class	60	8.4 (14%*60%)	8.7 (14.5%*60%)	9 (15%*60%)
6	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes.	60	8.4 (14%*60%)	8.7 (14.5%*60%)	9 (15%*60%)
7	Services of goods transport agency in relation to transportation of goods other than used household goods.	30	4.2 (14%*30%)	4.35 (14.5%*30%)	4.5 (15%*30%)
7A	Services of goods transport agency in relation to transportation of used household goods.	40	NA	Entry inserted vide NN 8/2016-ST dated 01.03.2016 w.e.f 01.04.2016 Applicable rate of ST w.e.f 01.04.2016 to 31.05.2016: 5.8 (14.5%*40%)	6 (15%*40%)
8	Services provided by a foreman of chit fund in relation to chit	70	Entry inserted vide NN 8/2016-ST dated 01.03.2016 w.e.f. 01.04.2016, earlier omitted vide NN 08/2015-ST dated 01.03.2015. Applicable rate of ST w.e.f 01.04.2016 to 31.05.2016: 10.15 (14.5%*70%)	10.5 (15%*70%)	

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9	Renting of motorcab	40	5.6 (14%*40%)	5.8 (14.5%*40%)	6 (15%*40%)
9A	Transport of passengers, with or without accompanied belongings, by- a) a contract carriage other than motorcab b) a radio taxi	40	5.6 (14%*40%)	5.8 (14.5%*40%)	6 (15%*40%)
Service tax is proposed to be levied on service of transportation of passengers by air conditioned stage carriage @ 40% after abatement of 60% without input tax credit, with effect from 01.06.2016 [Deletion of Section 66D(o)(i) of the Finance Act and insertion of Entry No. 23(bb) of the Mega Exemption Notification w.e.f 01.06.2016]					
10	Transport of goods in a vessel	30	4.2 (14%*30%)	4.35 (14.5%*30%)	4.5 (15%*30%)
11	Services by a tour operator in relation to-				
	(i) a tour, only for the purpose of arranging or booking accommodation for any person	10	1.4 (14%*10%)	1.45 (14.5%*10%)	1.5 (15%*10%)
	(ii) tours other than (i) above	40/30	5.6 (14%*40%)	15.11.2015 to 31.03.2016: 5.8 (14.5%*40%) 01.04.2016 to 31.05.2016: 4.35 (14.5%*30%)	4.5 (15%*30%)
NN 8/2016-ST dated 01.03.2016 w.e.f. 01.04.2016: Abatement rates in respect of services by a tour operator in relation to a tour other than (i) has been rationalised from 75% (package tour) and 60% (others) to 70%. Consequently, the category of "package tour" stands deleted w.e.f. 01.04.2016					
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	30	4.2 (14%*30%)	4.35 (14.5%*30%)	4.5 (15%*30%)

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	of completion certificate by the competent authority:				
Effective from 01.04.2016, a uniform abatement at the rate of 70% is prescribed for services of construction of complex, building, civil structure, or a part thereof, subject to fulfillment of the existing conditions. For the scenario till 31.03.2016:					
(a) 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 1crore;	25	3.5 (14%*25%)	15.11.2015 to 31.03.2016: 3.625 (14.5%*25%)		
for other than the (a) above.	30	4.2 (14%*30%)	15.11.2015 to 31.03.2016: 4.35 (14.5%*30%)		

Effective rates under the Reverse Charge Notification No. 30/2012-ST dated June 20, 2012 as amended

Sl. No	Description of a service	Rate of ST payable by the SP & SR: 01.06.2015 to 14.11.2015 (%)	Effective rate of ST payable by the SP & SR: 15.11.2015 (after Introduction of SB Cess @ 0.5%) to 31.05.2016 (%)	Effective rate of ST payable by the SP & SR: 01.06.2016 (after Introduction of KKC @ 0.5%) (%)
1	Services provided or agreed to be provided by an insurance agent to any person carrying on insurance business	<u>SP</u> : Nil <u>SR</u> : 14 (100%)	<u>SP</u> : Nil <u>SR</u> : 14.5	<u>SP</u> : Nil <u>SR</u> : 15

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1A	Services provided or agreed to be provided by a recovery agent to a banking company or a financial institution or a non-banking financial company	<u>SP:</u> Nil <u>SR:</u> 14 (100%)	<u>SP:</u> Nil <u>SR:</u> 14.5	<u>SP:</u> Nil <u>SR:</u> 15
1B	Services provided or agreed to be provided by a mutual fund agent or distributor, to a mutual fund or asset management company	<u>SP:</u> Nil <u>SR:</u> 14 (100%)	Omitted vide NN 18/2016-ST dated 01.03.2016 (w.e.f 01.04.2016 From 15.11.2015 to 31.03.2016: <u>SP:</u> Nil <u>SR:</u> 14.5 (100%)	NA
1C	Services provided or agreed to be provided by a selling or marketing agent of lottery tickets to a lottery distributor or selling agent of the State Government	<u>SP:</u> Nil <u>SR:</u> 14 (100%)	<u>SP:</u> Nil <u>SR:</u> 14.5	<u>SP:</u> Nil <u>SR:</u> 15
2	Services of goods transport agency in relation to transportation of goods other than used household goods.	After availment of 70% abatement: <u>SP:</u> Nil <u>SR:</u> 30% of 14% = 4.2 (i.e. 100%)	After availment of 70% abatement: <u>SP:</u> Nil <u>SR:</u> 4.35 (i.e. 14.5%*30%)	After availment of 70% abatement: <u>SP:</u> Nil <u>SR:</u> 4.5 (i.e. 15%*30%)
3	Services provided or agreed to be provided by way of sponsorship to any body corporate or partnership firm located in the taxable territory	<u>SP:</u> Nil <u>SR:</u> 14 (100%)	<u>SP:</u> Nil <u>SR:</u> 14.5	<u>SP:</u> Nil <u>SR:</u> 15
4	Services provided or agreed to be provided by an arbitral tribunal	<u>SP:</u> Nil <u>SR:</u> 14 (100%)	<u>SP:</u> Nil <u>SR:</u> 14.5	<u>SP:</u> Nil <u>SR:</u> 15
5	Entry amended vide NN 18/2016-ST dated 01.03.2016, w.e.f 01.04.2016 to bring legal services provided by a senior advocate under forward charge			

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	Prior to 01.04.2016: Services provided or agreed to be provided by individual advocate or a firm of advocates by way of legal services	<u>SP:</u> Nil <u>SR:</u> 14 (100%)	<u>SP:</u> Nil <u>SR:</u> 14.5	<u>SP:</u> Nil <u>SR:</u> 15
	Post 01.04.2016: Services provided or agreed to be provided by a firm of advocates or an individual advocate <u>other than a senior advocate</u> by way of legal services	<u>SP:</u> Nil <u>SR:</u> 14 (100%)	<u>SP:</u> Nil <u>SR:</u> 14.5	<u>SP:</u> Nil <u>SR:</u> 15
5A	Services provided or agreed to be provided by a director of a company or a body corporate to the said company or the body corporate	<u>SP:</u> Nil <u>SR:</u> 14 (100%)	<u>SP:</u> Nil <u>SR:</u> 14.5	<u>SP:</u> Nil <u>SR:</u> 15
6	Any Services (w.e.f. 01.04.2016)/ Support services (till 31.03.2016) provided or agreed to be provided by Government or local authority excluding,- (1) renting of immovable property, and (2) services specified in sub-clauses (i), (ii) and (iii) of clause (a) of Section 66D of the Finance Act	<u>SP:</u> Nil <u>SR:</u> 14 (100%)	<u>SP:</u> Nil <u>SR:</u> 14.5	<u>SP:</u> Nil <u>SR:</u> 15
7	(a) Services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers on <u>abated value</u> to any person who is not engaged in the similar line of business	After availment of 60% abatement: <u>SP:</u> Nil <u>SR:</u> $14\% * 40\% = 5.6$ (100%)	After availment of 60% abatement: <u>SP:</u> Nil <u>SR:</u> 5.8 (14.5%*40%)	After availment of 60% abatement: <u>SP:</u> Nil <u>SR:</u> 6 (15%*40%)

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	(b) Services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers on <u>non-abated value</u> to any person who is not engaged in the similar line of business	Without availment of 60% abatement: SP: 7 (14%*50%) SR: 7 (14%*50%)	Without availment of 60% abatement: SP: 7.25(14.5%*50%) SR: 7.25(14.5%*50%)	Without availment of 60% abatement: SP: 7.5(15%*50%) SR: 7.5(15%*50%)
	SP: Any individual, Hindu Undivided Family or partnership firm, whether registered or not, including association of persons, located in the taxable territory SR: Business entity registered as body corporate, located in the taxable territory			
8	Services provided or agreed to be provided by way of supply of manpower for any purpose or security services	SP: Nil SR: 14 (100%)	SP: Nil SR: 14.5	SP: Nil SR: 15
	SP: Any individual, Hindu Undivided Family or partnership firm, whether registered or not, including association of persons, located in the taxable territory SR: Business entity registered as body corporate, located in the taxable territory			
9	Services provided or agreed to be provided in service portion in execution of works contract:			
	→In case of Original work	SP: 2.8 {50% of (14%*40%)} SR: 2.8 {50% of (14%*40%)}	SP: 2.9 {50% of (14.5%*40%)} SR: 2.9 {50% of (14.5%*40%)}	SP: 3 {50% of (15%*40%)} SR: 3 {50% of (15%*40%)}
	→In all other cases	SP: 4.9 {50% of (14%*70%)} SR: 4.9 {50% of (14%*70%)}	SP: 5.075 {50% of (14.5%*70%)} SR: 5.075 {50% of (14.5%*70%)}	SP: 5.25 {50% of (15%*70%)} SR: 5.25 {50% of (15%*70%)}

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	SP: Any individual, Hindu Undivided Family or partnership firm, whether registered or not, including association of persons, located in the taxable territory			
	SR: Business entity registered as body corporate, located in the taxable territory			
10	Any taxable services provided or agreed to be provided by any person who is located in a non-taxable territory and received by any person located in the taxable territory	SP: Nil SR: 14 (100%)	SP: Nil SR: 14.5	SP: Nil SR: 15
11	Any service provided or agreed to be provided by a person involving an aggregator in any manner	SP: Nil SR: 14 (100%)	SP: Nil SR: 14.5	SP: Nil SR: 15

Effective rates under the Service Tax (Determination of Value) Rules, 2006 [“the Service Tax Valuation Rules”]

Relevant Rule(s) of the Service Tax Valuation Rules	Taxable per cent (%)	Effective rate of ST: 01.06.2015 to 14.11.2015 (%)	Effective rate of ST: 15.11.2015 (after Introduction of SB Cess @ 0.5%) to 31.05.2016 (%)	Effective rate of ST: 1.06.2016 (after Introduction of KKC @ 0.5%) (%)
<u>Rule 2A - Determination of value of services involved in the execution of a Works contract</u>				
In case of Works contracts entered into for execution of original works	40	5.6 (14%*40%)	5.8 (14.5%*40%)	6 (15%*40%)
In all other cases	70	9.8 (14%*70%)	10.15 (14.5%*70%)	10.5 (15%*70%)
<u>Rule 2C: Determination of value of service portion involved in supply of food or any other article of human consumption or any drink in a restaurant or as outdoor catering</u>				

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Service portion in an activity wherein goods, being food or any other article of human consumption or any drink (whether or not intoxicating) is supplied in any manner as a part of the activity, <u>at a Restaurant</u>	40	5.6 (14%*40%)	5.8 (14.5%*40%)	6 (15%*40%)
Service portion in outdoor catering wherein goods, being food or any other article of human consumption or any drink (whether or not intoxicating) is supplied in any manner as a <u>part of such outdoor catering</u>	60	8.4 (14%*60%)	8.7 (14.5%*60%)	9 (15%*60%)

Hope the information will assist you in your Professional endeavors. In case of any query/information, please do not hesitate to write back to us.

Thanks & Best Regards

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