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राजस्थान राज्य पथ परिवहन निगम मुख्यालय जयपुर

क्रमांक: एफ4(12)/मु./वि/कर/सेवाकर/16/3200

दिनांक 30-5-2016

✓ महा प्रबन्धक,
मुख्य उत्पादन/निष्पादन प्रबन्धक,
कार्यकारी प्रबन्धक,
मुख्य प्रबन्धक
रा0रा0प0प0निगम,

AAO (18)

थाताथात शाखा, मु.

विषय:-सेवाकर की नई दरों के सम्बन्ध में।

11/6/15

उपरोक्त विषयान्तर्गत लेख है कि केन्द्र सरकार के बजट 2016-17 द्वारा सेवाकर प्रावधानों के सम्बन्ध में किये गये परिवर्तनों के क्रम में निगम के सेवाकर सलाहकार द्वारा प्रस्तुत पत्र की प्रति आवश्यक कार्यवाही हेतु संलग्न कर प्रेषित है।

संलग्न -उपरोक्तानुसार (4)

संयुक्त महा प्रबन्धक (वित्त-कर)



K A & Co.

Chartered Accountants

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Date: 28-05-2016

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To

Joint GM (Fin & Tax)

RSRTC

HEAD OFFICE, JAIPUR

Dear Sir

Sub: Update on Service Tax Laws Amendments vide Union Budget 2016-17

Dear Sir

This has reference to the recently enacted Finance Act 2016, as presented in the Union Budget 2016-17. **There are some provisions which are effective from 01.06.2016** and are applicable to Rajasthan State Road Transport Corporation, either as 'Service Provider' or as 'Service Receiver'. For your ready reference, key changes are listed below:

1. **Service of transportation of passengers in air conditioned stage carriage (for e.g. VOLVO Bus Service) is made taxable on 40% of the value of taxable service (effective rate of 6%).**

Service of transportation of passengers, with or without accompanied belongings, by a stage carriage" except non-air-conditioned stage carriage is made taxable. The Negative List entry that covers "service of transportation of passengers, with or without accompanied belongings, by a stage carriage" is omitted [section 66D (o)(i)] with effect from 1.06.2016. However, such services by a non-air-conditioned stage carriage will continue to be exempted by way of exemption notification [Notification No. 25/2012-ST, as amended by notification No. 09/2016-ST, dated 1st March, 2016 refers]. The service of transportation of passengers by air-conditioned stage carriage is being taxed with an abatement of 60% (Notification No. 26/2012-ST, dated 20-6-2012 as amended by Notification No. 8/2016-ST, dated 1-3-2016), with a condition of non-availment of Cenvat credit.

2. **Service Tax Rate has been increased from 14.5% to 15% with levy of 0.5% Krishi Kalyan Cess**

Krishi Kalyan Cess is levied with effect from 1st June, 2016 on any or all the taxable services at the rate of 0.5% on the value of such taxable services. Credit of Krishi Kalyan Cess paid on input services shall be allowed to be used for payment of the proposed Cess on the service provided by a service provider.

Sh. R. B. Sharma
Pl. Put up in file
30.5.2016



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3. In addition to two Half Annual Returns, assesseees are required to file an Annual Return.

Service tax assessee above a certain threshold will also be required to file an annual return. This is in addition to two half yearly returns filed presently.

Additionally, we are hereby annexing the updated provisions of Service Tax Laws as applicable for the Corporation. This can be used for your ready reference. You are advised to make necessary changes in your IT systems to comply with the applicable changes and inform your depots / units / offices as well.

Yours truly,

CA. Kirti Kumar Acharya

Partner

Enclosure: Update on Service Tax Laws

Note: Above information is only for ready reference and for exact provisions, refer Service Tax Provisions as applicable.

Update on Service Tax Laws - As a Service Provider

Nature of Service	w.e.f.	Taxability	Exemption	Abatement	Tax Payable on % of Gross Value	Rate of Tax	Swatch Bharat Cess	Krishi Kalyan Cess	Total Service Tax Rate	Effective Tax Rate
Service of transportation of passengers, with or without accompanied belongings, by a stage carriage is taxable.	01/06/2016	Yes	Vide Notification 25/2012 dated 20.06.2012 as updated by notification 26/2016 dated 20.05.2016: Transport of passengers, with or without accompanied belongings, by stage carriage other than air-conditioned stage carriage is exempted, provided that CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.	60%	40%	14.0%	0.50%	0.50%	15.0%	6.00%
Tour Operator Service										
i. a tour, only for the purpose of arranging or booking accommodation for any person		Yes	Nil	90%	10%					1.5%
ii. tours other than (i) above	01/04/2016	Yes	Nil	70%	30%	14.0%	0.50%	0.50%	15.0%	4.5%
Renting of immovable property Service	No Change	Yes	Exemption to the extent of proportionate property tax paid vide Notification No. 29/2012-ST, Dated 20-6-2012	Nil	100%	14.0%	0.50%	0.50%	15.0%	15.0%
Selling of space or time slots for advertisements	No Change	Yes	Nil	Nil	100%	14.0%	0.50%	0.50%	15.0%	15.0%
Works contract service ²	No Change	Yes	Refer Note 2	Refer Note 2	Refer Note 2	14.0%	0.50%	0.50%	15.0%	Refer Note 2
Repair, reconditioning, restoration, or decoration or any other similar services, of any motor vehicle	No Change	Yes	Nil	Nil	100%	14.0%	0.50%	0.50%	15.0%	15.0%
Maintenance or repair service other than Works Contract Service	No Change	Yes	Nil	Nil	100%	14.0%	0.50%	0.50%	15.0%	15.0%
Business auxiliary service	No Change	Yes	Nil	Nil	100%	14.0%	0.50%	0.50%	15.0%	15.0%
Business support service	No Change	Yes	Nil	Nil	100%	14.0%	0.50%	0.50%	15.0%	15.0%

1. Krishi Kalyan Cess is levied with effect from 1st June, 2016 on any or all the taxable services at the rate of 0.5% on the value of such taxable services. Credit of Krishi Kalyan Cess paid on input services shall be allowed to be used for payment of the proposed Cess on the service provided by a service provider.

2. Gross Value for Service Tax is determined by Rule 2A of Service Tax (Determination of Value) Rules, 2006

A. Service tax is payable on Gross Amount Less Value of property of goods transferred in the execution of the said works contract.

B. If value has not been determined under clause 1, and where works contract is for execution of original works, service tax shall be payable on 40% of the total amount charged for the works contract, and where works contract is entered into for maintenance or repair or reconditioning or restoration or servicing of any goods, then service tax shall be payable on 70% of the total amount charged for the works contract. In case of any other works contract not covered above, service tax is payable on 60% of the total amount charged for the works contract.

Note: Above information is only for ready reference and for exact provisions refer Service Tax Provisions as applicable

Update on Service Tax Laws - As a Service Receiver

Nature of Service	w.e.f.	Tax Payable on % of Gross Value	Rate of Tax	Swatch Bharat Cess	Krishi Kalyan Cess ¹	Total Service Tax Rate	Effective Tax Rate
Service provided by Goods Transport Agency Service, where the person liable to pay freight is any body corporate established, by or under any law	No Change	30%	14.0%	0.50%	0.50%	15.0%	4.50%
Service provided by a firm of advocates or an individual advocate other than senior advocate , by way of legal services	01/04/2016	100%	14.0%	0.50%	0.50%	15.0%	15.00%
Service provided by way of renting of a motor vehicle designed to carry passengers to any person who is not in the similar line of business - On Abated Value - On Non-Abated Value	No Change	40% 50%	14.0%	0.50%	0.50%	15.0%	6.00% 7.50%
Services provided or agreed to be provided by way of supply of manpower for any purpose or security services	No Change	100%	14.0%	0.50%	0.50%	15.0%	15.00%
Service portion in execution of works contract ² by any individual, Hindu Undivided Family or partnership firm, whether registered or not, including association of persons, located in the taxable territory to a business entity registered as body corporate	No Change	50% ²	14.0%	0.50%	0.50%	15.0%	See Note 2 for Valuation

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Note: Above information is only for ready reference and for exact provisions refer Service Tax Provisions as applicable