

Understanding Your Service Tax Liability

APPLICABILITY:

1. Any provider of taxable service whose aggregate value of taxable service received in any financial year exceeds Rs.10,00,000/-
2. Service tax not applicable on Export of services.

RATE:

	<u>Upto 31st March, 2012</u>	<u>From 1st April, 2012</u>
Service Tax (ST)	10% on Gross Bill Amount	12% on Gross Bill Amount
Education Cess (EC)	2% on ST	2% on ST
Secondary Higher Education Cess	1% on (ST+EC)	1% on (ST+EC)

WHEN TO REGISTER FOR SERVICE TAX:

1. Any person liable to pay service tax has to register with the Superintendent of Central Excise within 30 days from the date on which a service becomes taxable or from the date of commencement of the business of taxable service.
2. Invoice should be issued within 14 days from the date of completion of taxable service or receipt of any payment towards value of taxable service.

(For procedure for registration with the service tax dept. click on <http://www.servicetax.gov.in/st-proc-home.htm>)

SERVICE TAX LIABILITY:

Service Tax Collected from Clients	XXX
<u>Less: CENVAT Credit:</u>	
1. Service Tax Paid	(XXX)
2. Education Cess	(XXX)
3. Secondary Higher Education Cess	(XXX)
<u>SERVICE TAX LIABILITY:</u>	<u>XXX</u>

DUE DATES:

1. E-PAYMENT:

I. IMPORTANT POINTS:

Mandatory e-payment for all Assessee (Notification No. 43/2011 - Service Tax)

(For other notifications refer <http://www.servicetax.gov.in/st-notfn-home.htm>)

List of authorized banks - <http://www.aces.gov.in/ePayment.jsp>

For e-payment - <https://cbec.nsdl.com/EST/InputPageForEPaymentServlet>

II. DUE DATES:

<u>CATAGORY</u>	<u>FREQUENCY</u>	<u>DUE DATES</u>
Individuals, Proprietors, Partnership Firms	Quarterly	Q1 - 6 th July Q2 - 6 th Oct Q3 - 6 th Jan Q4 - 31 st March
Others	Monthly	April to February - 6 th of next month March - 31 st March

In case of delay in payment of Service tax - Interest @ 18% p.a. is to be paid. (I.e. 1.5% p.m.)

III. FORM: GAR 7 Challan

2. E-FILING:

I. FORMS: For all registered assessee - ST-3 Return. You can download the same from <http://www.aces.gov.in/download.jsp>

II. DUE DATES:

<u>PERIOD</u>	<u>DUE DATE</u>
Half Year ending - 30 th September	25 th October
Half Year ending - 31 st March	25 th April

III. IMPORTANT POINTS:

1. Can returns be revised?

Yes, Form ST-3

2. Procedure for e-filing:

(i) File an application to the jurisdictional Asst./Deputy Commissioner of Service Tax, specifying -

- 15-digit PAN based registration number (STP Code)

- Valid e-mail address - so that the Department can send them their User ID and password to help them file their Return.

- (ii) Log on to the Service Tax e-filing home page by typing the address <http://servicetaxefiling.nic.in> in the address bar of the browser.
- (iii) Upon entering the Service Tax code, user ID and password, you will be permitted to access the e-filing facility.
- (iv) Follow the instructions given therein for filing the Returns Electronically.
- (v) Obtain the acknowledgement.

3. Mandatory E-Filing:

Mandatory e-payment for all Assessee (Notification No. 43/2011 - Service Tax)

(For other notifications refer <http://www.servicetax.gov.in/st-notfns-home.htm>)

4. Penalty for delay in e-filing?

Liable to penalty which may extend to Rs. 10,000/-

Mandatory Penalty:

<u>Sr. No.</u>	<u>Period of Delay</u>	<u>Penalty</u>
1.	15 days	Rs. 500/-
2.	Beyond 15 days but before 30 days	Rs. 1000/-
3.	Beyond 30 days	Rs. 1000/- + Rs. 100 per day of delay after 30 days (not exceeding Rs. 20,000/-)

WEBSITES TO BE REFERRED IN CASE OF ANY QUERIES:

1. For Procedures & Queries:

- a. <http://www.servicetax.gov.in/>
- b. <http://www.servicetaxonline.com/>

2. For E-Payment & E-Filing:

- a. <http://www.aces.gov.in/>
- b. <http://www.cbec.gov.in/>