

## Service Tax & Central Excise

### Amendments effective from 1<sup>st</sup> June 2015

#### Service Tax

- **Notification No.13/2015-ST dated 19.05.2015**
  - Omits the definition of “Chit” from Notification No.26/2012-ST dated 20.06.2012 (Abatement Notification) as it has no relevance since vide Notification No.8/2015-ST dated 01.03.2015 they had omitted entry “services in relation to chit” in Abatement notification.
- **Notification No. 14/2015-ST dated 19.05.2015**
  - Omits the definitions of “Entertainment event” and “Amusement facility” from Section 65B of Finance Act, 1994
  - **Increase in rate of Service Tax from 12% to 14%.**
  - No Education Cess and Secondary and Higher Education Cess on service tax.
  - Amendment in Negative List (Section 66D) - “Services by way of process amounting to manufacture or production of goods excluding alcoholic liquor for human consumption”
  - Betting, gambling and lottery shall not include the activity specified in Explanation 2 to the definition of “service” as per Section 65B (44) of Finance Act.
- **Notification No.15/2015-ST dated 19.05.2015**
  - Increase in rates of service tax (in case of Composition scheme) for service provided by Air Travel agent, Insurance service, Forex (money changing service) and service provided by lottery distributor and selling agent.

#### Air Travel Agent:

In the case of	Current Rate	New Rate
Domestic bookings of passage for travel by air	0.6% of the basic fare	0.7% of the basic fare
International bookings of passage for travel by air	1.2% of the basic fare	1.4% of the basic fare

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## Hiregange & Associates

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### Insurance Service:

Period	Current Rate	New Rate
First year	3% of the gross amount of premium charged	3.5% of the gross amount of premium charged
Subsequent Year	1.5% of the gross amount of premium charged	1.75% of the gross amount of premium charged

### Money Changing:

For an amount	Current Rate	New Rate
Upto Rs.100,000	0.12% of the gross amount of currency exchanged or Rs.30 whichever is higher	0.14% of the gross amount of currency exchanged or Rs.35 whichever is higher
Exceeding Rs.1,00,000 and upto Rs.10, 00, 000	Rs.120 + 0.06% of the (gross amount of currency exchanged-Rs.1,00,000)	Rs.140 + 0.07% of the (gross amount of currency exchanged-Rs.1,00,000)
Exceeding Rs.10,00,000	Rs.660 + 0.012% of the (gross amount of currency exchanged-Rs.10,00,000) or Rs.6,000/- whichever is lower	Rs.770 + 0.014% of the (gross amount of currency exchanged - Rs.10,00,000) or Rs.7,000/- whichever is lower

### Service provided by lottery distributor and selling agent:

Particulars	Current Rate	New Rate
Where the guaranteed lottery prize payout is > 80%	Rs.7000/- on every Rs.10 Lakh (or part of Rs.10 Lakh) of aggregate face value of lottery tickets printed by the organising state for a draw.	Rs.8,200/- on every Rs.10 Lakh (or part of Rs.10 Lakh) of aggregate face value of lottery tickets printed by the organising state for a draw.
Where the guaranteed lottery prize payout is < 80%	Rs.11000/- on every Rs.10 Lakh (or part of Rs.10 Lakh) of aggregate face value of lottery tickets printed by the organising state for a draw.	Rs.12800/- on every Rs.10 Lakh (or part of Rs.10 Lakh) of aggregate face value of lottery tickets printed by the organising state for a draw.

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- **Notification No.16/2015-ST dated 19.05.2015**
  - Exemption of carrying out an intermediate production process as Job work in relation to alcoholic liquor for human consumption is removed from Notification No.25/2012-ST dated 20.06.2012 (Mega Exemption Notification), making such services as taxable.
  - Consequently Notification No.25/2012-ST has been amended to provide exemption for the following:
    - (i) Admission to museum, national park, wild life sanctuary, tiger reserve or zoo
    - (ii) Admission to exhibition of cinematographic film, circus, dance or theatrical performance including drama or ballet
    - (iii) Admission to any sporting event organised by a recognized sports body where the participating team or individual represent any district, state, zone or country.
    - (iv) Admission to award function, concert, pageant, musical performance, sporting event other than recognized sport event is exempted from levy of service tax provided consideration is not more than Rs.500/-
  
- **Notification No.17/2015-ST dated 19.05.2015**
  - Taxable services provided under Power System Development Fund Scheme of Ministry of Power are exempted from the whole of levy of service tax till 1<sup>st</sup> day of April 2017. Such exemption shall be eligible subject to production of Certificate before Central Excise Officer and other conditions.

## Central Excise

- **Notification No.14/2015-CE dated 19.05.2015**
  - As per Rule 6(3) of the CENVAT credit Rules, 2004, the amount payable for exempted goods or services is enhanced from 6% to 7% of value of exempted goods or services.
  
- **Notification No.15/2015-CE dated 19.05.2015**
  - Refund of CENVAT credit under Rule 5B of CENVAT credit Rules:

A provider of service providing services under Section 68(2) of Finance Act and being unable to utilize the CENVAT credit availed on inputs and input services for payment of service tax on such output services, shall be allowed refund of such unutilized CENVAT credit subject to procedures, conditions, limitations and safeguards. **Now, “Supply of manpower for any purpose and security services” are excluded from this notification.**

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