

Effective Service Tax Rates applicable from 01/06/2015

Normal Service tax rate with effect from 1st June 2015 is 14%. However applicable rate is different for many services which may be subject to fulfillment of some conditions. This is mainly due to material value or non-service element included in total value of these services.

This Chart will gives the effective rates on such services.

Sr No.	Taxable service	Taxable Value	New Rate <i>w.e.f.</i> 01/06/2015	Condition
1	Financial leasing including hire purchase	10%	1.4%	NIL
2	Transport of goods by rail	30%	4.2%	NIL
3	Transport of passengers with or without accompanied belonging by rail	30%	4.2%	NIL
4	Supply of food or any other article of human consumption or any drink, in a premises (including hotel, convention center, club, pandal, shamiana or any place specially arranged for organizing a function) together with renting of such premises	70%	9.8%	Note(i)
5	Transport of passengers by air, with or without accompanied belongings	40%	5.6%	Note(ii)
6	Renting of hotels , inns, guest houses, clubs, campsites, or other commercial places meant for residential or lodging purposes	60%	8.4%	Note(ii)
7	Services of goods transport agency	30%	4.2%	Note(iii)
8	Renting of any motor vehicle designed to carry passengers	40%	5.6%	Note(iii)
9	Transport of goods in vessel	30%	4.2%	Note(iii)
10	(i) Tour service –package tour	25%	3.5%	Note(iii)&(iv)
	(ii)Tour service –service solely of arranging or booking accommodation for any person in relation to a tour	10%	1.4%	Note(iii), (v)&(vi)
	(iii) Tour service – simple tour services	40%	5.6%	Note(iii)&(iv)
11	Construction of a complex , building, civil structure or a part thereof, intended for a sale to a buyer, wholly or partly			
	(i) for a residential unit having carpet area upto 2000 square feet and the amount charged is less than rupees one crore	25%	3.5%	Note (vii)&(viii)
	(ii) for other than (i) above	30%	4.2%	Note (vii)&(viii)

Note:

(i) Cenvat credit on any goods classifiable under chapters 1 to 22 of Central Excise Tariff Act,1985 used for providing the taxable service, has not been taken.

- (ii) Cenvat credit on inputs and capital goods, used for providing the taxable service , has not been taken .
- (iii) Cenvat credit on inputs, capital goods and input services , used for providing the taxable service, has not been taken .
- (iv) The bill issued for this purpose indicates that it is inclusive of charges for such a tour.
- (v) The invoice bill or challan issued indicates that it is towards the charges for such accommodation.
- (vi) This exemption shall not apply in such cases where the invoice, bill or challan issued by the tour operator, in relation to a tour, only includes the service charges for arranging or booking accommodation for any person and does not include the cost of such accommodation.
- (vii) Cenvat credits on inputs used for providing the taxable service has not been taken.
- (viii) The value of land is included in the amount charged from the service receiver.

Sr no	Taxable service	Taxable Portion of Total Value	Effective Rate
12	Types of works contracts		
	(i) Execution of original works	40%	5.6%
	(ii) In cases not covered above including maintenance or repair or reconditioning or restoration or servicing or any goods	70%	9.8%
	(iii) Other works including maintenance, repair , completion and finishing services such as glazing , plastering, floor and wall tiling , installation of electrical fittings of an immovable property	70%	9.8%

Notes:

- (i) “total amount” means the sum total of the gross amount charged for the works contract and the fair market value of all goods and services supplied in or in relation to the execution of the works contract, whether or not supplied under the same contract , after deducting (i)the amount charged for such goods or services , if any and (ii)the value added tax or sales tax ,if any , levied thereon.
- (ii) The fair market value of goods and services so supplied may be determined in accordance with the generally accepted accounting principles.
- (iii) cenvat credit of duty of excise paid on any inputs , used in or in relation to the said works contract is not allowable.

Sr No	Taxable service	Taxable Portion of Total Value	Effective Rate
13	Supply of food and drinks in restaurant or outdoor catering		
	(i) Service provided by Restaurants	40%	5.6%
	(ii) Services provided by outdoor caterer	60%	8.4%

Notes:

(i) “Total amount” means the sum total of the gross amount charged and fair market value of all goods and services supplied in or in relation to the supply of food or any other article of human consumption or any other drink (whether or not in intoxicating), whether or not supplied under the same contract or any other contract, after deducting (i) the amount charged for such goods or services, if any and (ii) the value added tax or sales tax, if any, levied thereon.

(ii) The fair market value of goods and services so supplied may be determined in accordance with the generally accepted accounting principles.

(iii) Cenvat credit of duties or cess paid on any goods classifiable under chapter 1 to 22 of the central excise tariff act, 1985 is not allowable.

Sr. No.	Taxable service	Revised rates of service tax
14	Booking of air tickets by air travel agent	Domestic booking 0.7% International booking - 1.4%
15	Life insurance service	First year -3.5% Subsequent year – 1.75%
16	Money changing service	
	(i) Gross amount of currency exchanged for an amount upto Rs. 100,000	0.14% or Minimum Rs. 35/-
	(ii) Gross amount of currency exchanged for an amount of rupees exceeding Rs. 100,000 and up to Rs. 10,00,000	Rs. 140 and 0.07%
	(iii) Gross amount of currency exchanged for an amount of rupees exceeding Rs. 10,00,000	Rs. 770 and 0.014% or maximum of Rs. 7,000/-
17	Service provided by Lottery distributor and selling agent	Rs. 8,200 on every Rs. 10 Lakh or part of Rs. 10 Lakh of aggregate face value of lottery tickets printed by the organizing State for a draw.
	a) If the lottery or lottery scheme is one where the guaranteed prize payout is more than 80% b) If the lottery or lottery scheme is one where the guaranteed prize payout is less than 80%	Rs. 12,800 on every Rs. 10 Lakh or part of Rs. 10 Lakh of aggregate face value of lottery tickets printed by the organizing State for a draw