



ALERT

Service Tax

- 1) Government of India have made Swachh Bharat Cess (S.B.Cess) applicable with effect from 15th November 2015.
- 2) Accordingly Government shall levy Swachh Bhart Cess (S.B.Cess) @ 0.50% of SERVICE VALUE, on all TAXABLE SERVICES vide notification no 22 of 2015. Hence effective Service tax rate would be 14.50% for all taxable services with effect from 15th November 2015.
- 3) In Case of Forward Service (Tax Service tax payable by Service Provider), Service tax applicability would be as under:

| In Case of Completion of Provision of Services on or before 14th November 2015 | Effective Rate of Service Tax |
|---|--|
| i) Invoice OR receipt of payment on or BEFORE 14th November 2015. | Service tax @ 14.00% (No S. B. Cess) |
| ii) Invoice AND receipt of payment on or AFTER 15th November 2015. | Service tax @ 14.50% (With S. B. Cess) |
| In Case of Completion of Provision of Services on or after 15th November 2015 | Effective Rate of Service Tax |
| i) Invoice OR receipt of payment on or AFTER 15th November 2015. | Service tax @ 14.50% (With S. B. Cess) |
| i) Invoice AND receipt of payment on or BEFORE 14th November 2015. | Service tax @ 14.00% (No S. B. Cess) |

- 4) In case of Reverse Service tax (Service tax payable by recipient of Service), Service tax applicability would be as under:

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| In Case payment of Service Charges (Paid within 3 months from the date of invoice) OR completion of 3 months from the date of invoice falling on or AFTER 15th November 2015. | Service tax @ 14.50% (With S. B. Cess) |
| In Case payment of Service Charge (Before 3 months from the date of invoice) OR completion of 3 months from the date of invoice falling on or BEFORE 14th November 2015 | Service tax @ 14.00% (No S. B. Cess) |

- 5) The said Swachh Bharat Cess is to be charged separately in the Invoice.
- 6) Government have not clarified about the eligibility of Cenvat Credit of Swachh Bharat Cess.

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