Payment of Service Tax & Filing of Returns

CA IPC, Paper - 4, Taxation – Service Tax & VAT, Chapter 4, CA Shekhar Sane
Units

Unit 1: Payment of Service Tax

Unit 2: Filing of Returns
Payment of Service Tax

Unit 1
Learning Objectives

To learn to identify the persons liable to pay Service Tax.

To learn the basic principles underlying the procedures relating to payment of Service Tax.

To know the time period for paying Service Tax.

To learn to comprehend the manner of payment of Service Tax.
### Important Sections / CENVAT Credit Rules

<table>
<thead>
<tr>
<th>Section No.</th>
<th>Particulars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec 68(1)</td>
<td>Person liable to pay Service Tax</td>
</tr>
<tr>
<td>Sec 75</td>
<td>Interest on delayed payment of service tax</td>
</tr>
<tr>
<td>Rule 6</td>
<td>Payment of service tax</td>
</tr>
</tbody>
</table>
Sec. 68(1)
Person liable to pay Service Tax

General Rule
Service Provider rendering taxable services is liable to pay Service Tax

‘Reverse Charge’
Service Receiver is liable to pay Service Tax
Reverse Charge

Notification No. 30/2012-ST dated 20/6/12 effective from 1st July, 2012, has stated cases where Reverse charge mechanism is applicable.

Services where entire Service tax payable is to be paid by Service Receiver:

- Services by an Insurance Agent to any person carrying on insurance business
- Services by Goods Transport Agency in respect of transportation by road.
- Sponsorship services
- Services by an Arbitral Tribunal
Reverse Charge

Services where entire Service tax payable is to be paid by Service Receiver

- **Legal Services** by individual advocate or a firm of advocates
- Support service by Government or local authority
- Renting or hiring any motor vehicle designed to carry passenger on *abated* value.
- Services provided by any person who is located in a *non-taxable territory* and received by any person located in the taxable territory
## Reverse Charge

Services where part of the tax payable is to be paid by Service provider and balance by Service Receiver

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description of Service</th>
<th>Percentage of S.T. payable by Service Provider</th>
<th>Percentage of S.T. payable by Service Receiver</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Renting or hiring any motor vehicle designed to carry passenger on non abated value</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>2</td>
<td>Services of supply of manpower for any purpose</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>3</td>
<td>Services by way of works contract</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Liability to pay Service Tax in case of Sub-Contractor

Where, a service provider outsources a part of the work to another service provider, the later is known as ‘a Sub-contractor’

Sub-Contractor is essentially a ‘taxable service provider’.

Services provided by him are in the nature of ‘Input Services’.
The fact that a given taxable service is intended to use as an input service by another service provider does not alter the taxability of service provided.
Sub-Contractor

A Sub-contractor is **liable to pay** Service Tax on the services provided by him to the main service provider.

The **main service provider** can **avail the CENVAT credit** of the tax paid by him to the sub-contractor.

The advantage of the sub-contractor being in the **CENVAT chain** is that ‘the credit of inputs, capital goods or input services utilized by him for providing services can be passed on to the main contractor’ whereby the transaction would become ‘tax efficient’.
Rule 6

This rule grants the powers to Central Government to decide time and manner of payment Service Tax.

The rule 6(1) states that, service tax is payable on service deemed to be provided as per ‘Point of Taxation Rules, 2011’.

W.e.f. 1st July, 2012, the POT Rules will be only for determining due date of payment
And not rate of tax.
## Rule 6

Payment of Service Tax is on **both** receipt and accrual basis

Service tax is *not* payable on free services

Service tax is liable to be paid irrespective of the fact whether collected from client or not

Service tax is payable on *‘advance received’*

There is a facility to pay service tax *‘in advance’*.  

Assessee can make *‘self adjustment’* of service tax paid if services are partly or wholly not rendered.

Service tax collected from the client, **must be paid to the Central Government.**
If the invoice is issued within the period of 30 days from the date of completion of provision of service,

<table>
<thead>
<tr>
<th>Service Tax is payable on either of</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of invoice</td>
<td>Date of payment</td>
</tr>
<tr>
<td>Whichever is earlier</td>
<td></td>
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</tbody>
</table>
If the invoice is **not** issued within the period of 30 days from the date of **completion of provision of service**, Service Tax is payable on either of

<table>
<thead>
<tr>
<th>Date of completion of service</th>
<th>Date of payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Whichever is <strong>earlier</strong></td>
</tr>
</tbody>
</table>
Point of Taxation Rules, 2011

If the aggregate value of taxable services provided by Individual or Partnership Firm, from one or more premises is Rs. 50 lakhs or less in the previous financial year,

Then, service tax on taxable services provided or to be provided up to a total of Rs. 50 lakhs in the current financial year is payable on receipt basis.

Earlier, the benefit of discharge of liability on receipt basis was available without limit to individuals and partnership firms carrying on specific professions as CAs, CSs CMAs, etc.
In case of **advance**, Service Tax is payable on **receipt basis**

Thus, Service tax is payable on both, receipt and **accrual basis**
Service tax not payable on free services

Section 67(1)(iii) and Service Tax (Determination of Value) Rules, 2006 make provisions for valuation even if the consideration is *not ascertainable*.

These provisions apply only if there is consideration.

Hence in case of ‘Free Service’ these provisions cannot apply.

Where the value of service is zero, Service tax payable will also be zero.

- This principal apply only when there really is a free service.
- Its cost should not be recovered through other means.
Service tax is liable to be paid even if not collected from client

According to Sec.68, liability to pay service tax is upon the Service Provider.

The Statutory liability does not get extinguished if the service provider fails to realize or charge the service tax from the service receiver.
Service tax is liable to be paid even if not collected from client

When the Service tax is not collected from the client due to any reasons, the amount recovered from the client will be taken to be inclusive of service tax.

Tax payable will be calculated by making back calculations or work back calculations.

e.g. If bill amount is Rs.10,000 and service tax is not shown separately in invoice, then service tax payable is calculated as

\[
\frac{10,000}{112.36} \times 12.36 = Rs.1,100
\]

The value of Taxable Service = Rs.8,900
Service Tax payable @ 12.36% = Rs.1,100
Service tax is liable to be paid even if not collected from client

The example can be solved by following Formula

\[
\text{Value of taxable Services} = \frac{\text{Gross Amount charged}}{100 + \text{Rate of Tax}}
\]
Service tax is payable on ‘advance received’

As per General Rule 3 of Point of Taxation Rules, 2011, ‘Service tax is payable on any advance by whatever name called, received by the service provider towards the provision of service.’

e.g. A security agency takes a contract of providing security services for the month of July, 2013 for Rs.60,000/-. It received an advance of Rs.20,000 in June, 2013.

In this case security agency has to pay service tax on Rs.20,000 received as advance even though the service has no been provided.
Advance payment of Service Tax

An assessee *may make advance payment of service tax.*

Later on he can *adjust* the amount so paid against the service tax which he is liable to pay for the subsequent period.

For availing this facility the assessee has to –

- Intimate the details of the amount of service tax paid in advance, to the Jurisdictional Superintendent of Central Excise, *within a period of 15 days from the date of such payment* AND
- Indicate the *details of the advance payment made and its adjustment, if any in the subsequent return* to be filed u/s 70 [Rule 6(1A)]
Where an assessee has issued an invoice, or received any payment against a service to be provided, which is *not so provided by him either wholly or partially* for any reason OR

Where the amount of invoice is *renegotiated due to deficient provision of service, or any terms contained in a contract*

The assessee may take credit of excess service tax paid by him if he has—

- Refunded the **payment or part thereof** so received for the service provided to the person from whom it was received OR
- Issued a **credit note** for the value of services not so provided to the person to whom such an invoice had been issued. [Rule 6(3)]
Rule 6(3) does not allow the adjustment of excess payment of service tax per say, say due to clerical mistake etc.

In such cases assessee has to follow the procedure laid down in Section 11B of ‘The Central Excise Act’ to claim the refund of excess service tax paid.
Rule 6 (4B)
Difficulty in correctly estimation of service tax liability

This situation is more relevant for last two days of a quarter, wherein *estimation of liability* can not be *accurately* calculated.

Assessee may pay excess amount which can be adjusted in the *subsequent month or quarter* as the case may be.

- There is no limit on such excess payment.
- Such excess shall be reflected in ST-3 return.
- Any separate intimation is not required.
Rule 6 (4B)
Difficulty in correctly estimation of service tax liability

1. It is an enabling provision for making excess payment.

2. It does not talk about “short payment”.

3. Legislature intends to adjust excess payment, does not mean that, “short payment” / “short estimation” of a service tax liability is justified.
Rule 6 (4B)
Difficulty in correctly estimation of service tax liability

From 01.07.2012, self adjustment of excess credit is **not allowed** on account of reasons like

- **Interpretation of law**
- **Taxability**
- **Valuation**
- **Applicability of any exemption notification**
Rule 6(4C)
Self Adjustment of service tax paid in other cases

In case of service tax on renting of immovable property, abatement is available in case of property tax paid to local authorities.

If such tax is paid at a later date

Self-adjustment of service tax payable is permissible WITHIN ONE YEAR from date of payment of tax.
The details of such adjustment shall be intimated to the Superintendent of Central Excise having jurisdiction over the service provider within a period of 15 days from the date of such adjustment.
Self Adjustment of service tax paid in other cases

ADJUSTMENT between two units not permissible

Excess service tax paid in one unit
- CAN NOT BE ADJUSTED
  - Against short payment for another unit

Fascel Ltd. v. CCE (2005) 2 STT 93 (CESTAT)
Sec. 73A(1) & (2)

The section states that every amount collected from client towards service tax must be paid to the Central Govt.

Service tax collected has to be paid to the credit of Central Govt. in the following cases:

- A person liable to pay service tax has collected service tax *in excess of assessed or determined* and paid on any taxable service.
- Any person has collected the service tax *which is not required to be collected*. 
Sec. 73A(3)
Service tax collected from the client, must be paid to the Central Govt.

Notice to be served in case the service tax not so deposited with the Central Government.

If any person, who is liable to pay any of the abovementioned amount to the credit of the central government, a notice shall be served on him by the central Excise Officer.

The notice will require such person to show cause why the said amount, as specified in the notice, should not be paid by him to the credit of the central government.
Sec. 73A(4)
Service tax collected from the client, must be paid to the Central Govt.

After receiving the notice, such person may make a representation to the Central Excise Officer (CEO).

CEO shall consider the said representation and then determine the amount due.

Such amount will not exceed the amount specified in the notice.

The assessee shall pay the amount so determined.
Sec. 73A(5) & (6)  
Service tax collected from the client, must be paid to the Central Govt.

Adjustment of amount paid to the credit of the Central Government against

the **service tax payable** by the person

on **finalization of assessment or any other proceeding**

for **determination of service tax** relating to the taxable service referred to in sub-section (1)
Sec. 73A
Service tax collected from the client, must be paid to the Central Govt.

Surplus amount

(a) Credited to the consumer welfare fund, OR
(b) Refunded to the person who has borne the incidence of such amount (in accordance with the provisions of section 11B of the central Excise Act, 1994).
Sec. 73A
Service tax collected from the client, must be paid to the Central Govt.

Time limit for filing refund claim

such person may make an application within six months from the date of the public notice to be issued by the Central Excise Officer for the refund of such amount.
Sec. 73B
Interest on amount collected in excess

Cases where interest is to be levied

Where an amount has been collected from the recipient of service

- *in excess of the tax assessed/determined* and paid for any taxable service.

Who is liable to pay interest and on what amount?

such person who is liable to pay such amount as determined under Section 73A(4) above, shall, *in addition to the amount*, be liable to pay interest.
Sec. 73B
Interest on amount collected in excess

Rate of return

The interest could be ranging between 10% to 24% p.a.

- At present, the rate of interest @18% p.a has been notified vide Notification No.15/2011 dated 01.03.2011.

Period for which interest would be charged

The interest shall be payable from

- the first day of the month succeeding the month in which the amount ought to have been paid
- till the date of payment of such amount.
Sec. 73B

Interest on amount collected in excess

No interest payable subject to certain conditions

No interest shall be payable where the amount becomes payable consequent to issue of an order, instruction or direction by the Board under section 37B, subject to fulfillment of the following conditions -

1. The full amount is paid voluntarily within 45 days from the date of issue of such order, instruction of direction; and
2. No right to appeal against such payment at any subsequent stage is reserved.
Where the amount determined by the Central Excise Officer under section 73A
- is *reduced or increased* by the Commissioner (Appeals), the Appellate Tribunal, or the court,
- the *interest payable* thereon under this section shall be on such reduced or increased amount
Sec. 73B
Interest on amount collected in excess

Concession of 3% for specified assesses

A concessional rate of interest of 15%p.a. is available to the tax payers
➢ whose turnover during any of the years covered in the notice issued under section 73A(3) or
➢ the preceding financial year
➢ is up to Rs.60 lakhs
Due date for payment of service tax on the service which is deemed to be provided (as per the point of taxation Rules, 2011) by an individual or a proprietary firm or a partnership firm:

<table>
<thead>
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<th>Sr.No</th>
<th>Particulars</th>
<th>Due date payment of service tax</th>
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<tr>
<td>1.</td>
<td>If the service tax is paid electronically through internet banking</td>
<td>6&lt;sup&gt;th&lt;/sup&gt; day of the following quarter</td>
</tr>
<tr>
<td>2.</td>
<td>In any other case</td>
<td>5&lt;sup&gt;th&lt;/sup&gt; day of the following quarter</td>
</tr>
<tr>
<td>3.</td>
<td>In the case service is deemed to be provided in the quarter ending March</td>
<td>31&lt;sup&gt;st&lt;/sup&gt; day of March</td>
</tr>
</tbody>
</table>
Due date for payment of service tax

Rule 6(4)

If the last day of payment of service tax is a public holiday, tax can be paid on next working day. [CBE&C Circular No.63/12/2003-S.T.dated 14.10.2003]
Individual/partnership firms with aggregate value of taxable services of Rs. 50 lakh or less in previous financial year are allowed to pay service tax on payment basis in current financial year up to a total of Rs.50 lakh [Third provision to sub-rule (1)]
### Due date for payment of service tax

#### Small tax payers

<table>
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<tr>
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<tr>
<td>1.</td>
<td>If the service tax is paid electronically through internet banking</td>
<td>6&lt;sup&gt;th&lt;/sup&gt; day of the following quarter in which the payment is received</td>
</tr>
<tr>
<td>2.</td>
<td>In any other case</td>
<td>5&lt;sup&gt;th&lt;/sup&gt; day of the following quarter in which the payment is received</td>
</tr>
<tr>
<td>3.</td>
<td>In the case payment is received is received in the quarter ending in March</td>
<td>31&lt;sup&gt;st&lt;/sup&gt; day of March</td>
</tr>
</tbody>
</table>
Due date for payment of service tax

Due date for payment of service tax on the service which is deemed to be provided (as per the point of taxation Rules, 2011) in **any other cases (company and HUF)**:-

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<tr>
<th>Sr.No.</th>
<th>Particulars</th>
<th>Due date for payment of service tax</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>If the service tax is paid electronically through internet banking</td>
<td>6(^{th}) day of the following <strong>month</strong></td>
</tr>
<tr>
<td>2.</td>
<td>In any other case</td>
<td>5(^{th}) day of the following <strong>month</strong></td>
</tr>
<tr>
<td>3.</td>
<td>In the case service is deemed to be provided in the <strong>month of March</strong></td>
<td>31(^{st}) day of March</td>
</tr>
</tbody>
</table>
Due date for payment of service tax

Partnership firm includes Limited Liability Partnership (LLP)
Liability in respect of Associated Enterprises

Associated Enterprise

Group company with more than 25% common control

Payment is required to be made on, earlier of:

- Making an entry in the books
- Accrual basis
- Advance
Payment of Service Tax

Payment not be accepted by Bank without assessee code

Assessee code list is available from *latest directory from NSDL website.*

If assessee code is not available, *banks should not accept the payment* and should ask assessee to take the issue with CB E & C.
Manner of payment

A] Conventional mode of payment :-

In case, the assessee is not required to make the e-payment of the service tax and he pays service tax by GAR-7 challan, following procedure would be followed :-

Bank to have EASIEST facility

service tax is payable in authorized bank by way of GAR-7 challan where Bank is having ‘EASIEST’ facility (Earlier, it was a TR-6 challans)
Manner of payment

Single copy challan

- GAR-7 challan is *a single copy challan* with tax payers counterfoil *at the bottom of challan*.
- Both *challan and counterfoil are to be filled* in by assessee.
- The challan should be on white paper with black printing.
Manner of payment

Challan to be serially numbered

The challans should be *serially numbered* from 1\textsuperscript{st} April onwards.
Manner of payment

Details required in GAR-7 challan:

- Full name of assessee
- Complete Address
- Telephone number
- PIN code
- Assessee STC code (15 digit)
- Commissionerate name
- Commissionerate Code
- Division Code
- Range Code
## Manner of payment

Details required in GAR-7 challan :-

<table>
<thead>
<tr>
<th>(j)</th>
<th>Accounting Code of service tax/cess</th>
</tr>
</thead>
<tbody>
<tr>
<td>(k)</td>
<td>Amount tendered in Rs….. (6 columns)</td>
</tr>
<tr>
<td>(l)</td>
<td>Total</td>
</tr>
<tr>
<td>(m)</td>
<td>Total Rupees in words</td>
</tr>
<tr>
<td>(n)</td>
<td>Cash/ Cheque/ Draft/ Pay order No. and date</td>
</tr>
<tr>
<td>(o)</td>
<td>Bank on which Cheque /Draft/Pay order No. is drawn.</td>
</tr>
</tbody>
</table>
Relevant details to be repeated on counterfoil

Relevant among these details like assessee code, amount tendered in Rs., accounting code of service tax/cess etc. are repeated in the Taxpayers counter-foil.

Details filled in the challan and Taxpayers counter-foil should be identical.
Receipt of payment

The counterfoil duly receipted by bank with stamp of bank will be given by receiving Bank to assessee.

The stamp of receiving bank will contain **Challan Identification Number** (CIN). This CIN will have to be quoted in the return.
Evidence in case of physical payment

“Counterfoil” having SEAL of the bank is treated as **final evidence**
Evidence of payment of service tax

The Taxpayers acknowledgement is the evidence of payment.

The Challan Identification Number (CIN) appearing on this acknowledgement will have to be quoted in the return.

The bank will be giving the taxpayer a computer generated acknowledgement/receipt with the various details including the CIN.
Payment in case of multiple service provider

A multiple service provider (a service provider rendering more than one taxable service) can use single GAR-7 challan for payment of service tax on different services.

However, amounts attributable to each such service along with concerned accounting codes should be mentioned clearly in the column provided for this purpose in the GAR-7 challan.

Alternatively, separate GAR-7 challans may be used for payment of service tax for each service provided by the service provider.
Payment by Government department by book adjustment

In such case

No interest is leviable

No penalty is leviable

Payment of duty by one department of Government to other is only adjustment from one account to another

No interest is leviable

No penalty is leviable
When Assessee liable to E-payment of Service tax?

Conditions

Where an assessee has paid a total service tax of Rs. 10 lakhs or more including CENVAT Credit.
E-Payment of Service tax

Notes:

A person providing taxable service from more than one premise, where each such premises is separately registered with the Department for payment of service tax, criterion of Rs. 10 lakh would apply to each registered premises individually.

Similar is the situation in the case of a person paying service tax on taxable services received by him.
E-payment in Case of Large Taxpayer Units

E-Payment of service tax is mandatory for Large Taxpayer Units, because a Large Taxpayer (LTU), the cumulative service tax paid by all registered premises of such Large Tax will be taken into account for satisfaction of criterion of payment of service tax amount of Rs.10 lakh.

Large Taxpayer Units means Units who had paid service tax of 50 lakhs or more during the preceding financial year or had already paid (in cash plus through CENVAT credit) service tax of Rs.50 lakhs in the current financial year.
Procedure for E-Payment of Service Tax

Conditions

2. The Service taxpayer should have an account in any branch of the designated banks for availing of E-payment facility. (Net banking account)

3. The taxpayer shall obtain a user-ID and password from the designated bank in which he has the account.
Procedure for E-Payment of Service Tax

Steps

1. The assessee has to enter the 15 digit Assessee Code allotted by the Department under erstwhile SACER/SAPS or the current application ACES.

2. There will be an online check on the validity of the Assessee code entered.
3. If assessee code is valid, then corresponding assessee details like name, address, Commissionerate code etc. as present in the Assessee Code Master will be displayed.

4. Based on Assessee Code, the duty/ tax i.e. Central Excise Duty or service Tax to be paid will be automatically selected.
5. Assessee is required to select the type of tax to be paid by clicking on select Accounting Codes for Service tax to be paid.

At a time up to six Accounting Codes can be selected.
Procedure for E-Payment of Service Tax

Confirmation screen will be displayed.

If assessee confirms the data entered, it will be directed to the net banking site of the selected Bank.
Procedure for E-Payment of Service Tax

1. Select Bank for net banking
2. Login to the net-banking site with user ID/Password
3. Enter payment details.
4. Successful.
Procedure for E-Payment of Service Tax

Generate challan counterfoil which is containing following item.

- CIN
- Payment details
- Bank name

This counterfoil is the proof of payment made

Next Step
Section 77 (1)(d) of Finance Act, 1994 as Amended w.e.f. 10.05.2008

PENALTY for failure to pay tax electronically when required

Rs.5,000 penalty can be initiated if payment is made otherwise than an electronic mode.
E-payment of Taxes

Special features:

Payment by electronic mode is a 24 * 7 facility.

Payment can be made anytime from anywhere.

Payments effected upto 8 pm will be accounted for the day as that day’s receipt.

Payments effected after 8 pm will be accounted for as the next working day’s receipt. – confirmed in Pr.Chief of Controller of Accounts, CBE & C letter no. Coord.II/6-9/EASER/414-16.02.2008
CBEC has rolled-out a new centralized, web-based and workflow-based software application called Automation of Central Excise and service Tax (ACES) in all 104 commissionerates of central excise, service tax and large tax payer units (LTUs) as on 23rd December, 2009.

This application has replaced the current applications of SERMON, SACER, and SAPS used in Central Excise and Service Tax for capturing returns and registration details of the assessees.
Major Processes of ACES

- Central Excise and Service tax Registration
- Returns
- Accounting & Auditing
- Refunds & Export Claims
- Dispute resolution
- Provisional Assessment
- Intimation and Permissions
Automation of Central Excise and Service Tax (ACES)

‘ACES’ Benefits to the Assessee

1. Reduce *physical interface* with the Department.

2. Save time.

3. Reduce paperwork.

4. Online *registration and amendment of registration details*. 
Automation of Central Excise and Service Tax (ACES)

(c) ‘ACES’
Benefits to the Assessee

5. Internal messaging system on business-related matters.


7. Online tracking of the status of selected documents.

8. Online view facility to see selected documents.
Automation of Central Excise and Service Tax (ACES)

9. E-filling of Documents

- Application for Registration
- Returns (ER 1,2,3,4,5,6, Dealer Return and ST3)
- Claims & Refund requests
- Expert-related documents
- Provisional Assessment
- Request
- Intimation and Permissions
Automation of Central Excise and Service Tax (ACES)

Registration with ACES

To transact business on ACES a user has to first register with ACES through a process called ‘Registration with ACES’

This is not a statutory Registration but helps the application to recognize the bonafide users.
Automation of Central Excise and Service Tax (ACES)

- E-filling of Return
- E-file statutory Return of Central Excise and Service Tax
- Online Return
- Download Offline Return utilities
- Fill-in off-line and upload to the system through the internet.
Certified Facilitation Centers (CFC) (CFCs)

CBEC has set up ACES Certified Facilitation Centers (CFCs) with the help of Professional bodies like Institute of Chartered Accountants of India (ICAI), Institute of Cost Accountants of India (ICAI):

i) These CFCs can provide a host of services to the assesses such as digitization of paper documents like returns etc. and uploading the same to ACES.

ii) Assesses requiring the services of the CFCs may be required to pay service fees to the CFCs.

iii) CBEC has approved the maximum rates at which CFCs can charge their customers for the services rendered by them,
iv) Assessees are required to write to the Department authorizing one of the CFCs, from the approved list, on their behalf have to furnish:

- name of CFC
- other details of the CFC, including the registration number
v) At any given time, one assessee can authorise one CFC, while one CFC can provide services to more than one assessee throughout India.

vi) In case the assessee wants to withdraw the authorization, it can do so by intimating the Department.

vii) However, an assessee will be held liable for all actions of omission or commission of the CFC, during the period they are authorized by him/her to work in ACES.
What is EASIEST scheme?

EASIEST has been developed to make payment of tax easy.

This facility is available with 28 banks.
Electronic Accounting System in Excise and Service Tax (EASIEST)

Benefit of EASIEST to the taxpayer

Only one copy of the challan has to be filled instead of earlier 4 copies

Online verification of the status of tax payment using CIN
CIN is a 20 digit unique identifier which will be given on the taxpayer’s computer generated acknowledgement/receipt.

```
20 Digits

First 7 Digits
  BSR Code

Next 8 Digits
  Date of Deposit

Last 5 Digits
  Challan Serial Number
```
Service Tax Code Number (STC)

STC is a 15 (PAN based) Character identification number

15 Characters

- First 10 Characters
  - PAN Number

- Next 2 Alphabets
  - ‘ST’ means Service tax (sometime ‘SD’)

- Last 3 Digits
  - Number of Services 001, 002, 003

The 15-character assessee code will be available in the registration certificate issued to the assessee by the Assistant Commissioner/Deputy Commissioner of the Division.
Important Points

Points to be remembered while paying service tax.

Service tax is to be paid on the value of taxable services which is charged by an assessee.

Service tax is to be paid on the amount of income tax deducted at source. (TDS)
Service Tax payable on TDS

TDS deducted is *deemed to be payment received* and Service Tax is payable

It can be confirmed by:

FAQ released by CBE & C in November 2007 [12 STT 1 (st.)]

CCE v. Louis Berger International Inc. (2009) 18 STT 312 (CESTAT)
Important Points

Points to be remembered while paying service tax

Payment should be rounded up in multiple of rupees.

The date of presenting of cheque to the bank shall be deemed to be date on which service tax has been paid subject to the realization of the cheque.
Sub Rule (6A) Recovery of the Amount of Service Tax Short Paid/Not Paid Under Self-assessment

Where an amount of service tax payable has been self-assessed under section 70(1) of the Act, but not paid, either in full or part, the same, shall be recoverable along with interest in the manner prescribed under section 87 of the Act.
The assessee is unable to correctly estimate, at the time of the deposit, the actual amount of service tax for any month or quarter, he may make a written request to Assistant/ Deputy Commissioner of Central Excise for making payment of service tax on provisional basis.
Procedure for Provisional Assessment

Request for provisional assessment

The assessee shall make a request in writing to the Assistant Commissioner/Deputy Commissioner of Central Excise, as the case may be, to make a provisional payment of tax on the basis of the amount deposited.
The Assistant Commissioner/Deputy

Commissioner as the case may, on receipt of such request, order *provisional*

*assessment of tax.*
In case an assessee requesting for provisional assessment, the assessee shall submit a memorandum in form ST-3A; giving details of difference between the provisional amount of service tax deposited and the actual amount of service tax payable for each month along with the half-yearly return in form ST-3.
Procedure for Provisional Assessment

Finalization of provisional assessment:

Where the assessee submits *a memorandum in Form ST-3A under sub-rule (5)*, it shall be lawful of the Assistant Commissioner/Deputy Commissioner of Central Excise, as the case may be to complete the assessment, wherever he deems it necessary, *after calling such further documents or records as he may consider necessary and proper in the circumstances of the case.*
## Special Provisions for Payment of Service Tax

<table>
<thead>
<tr>
<th>Sr. no</th>
<th>Particulars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Air travel agent</td>
</tr>
<tr>
<td>2</td>
<td>Insurer carrying on life insurance business[Sub-rule(7A)]</td>
</tr>
<tr>
<td>3</td>
<td>Sale/purchase of foreign currency including money changing (Sub-rule(7B)):</td>
</tr>
<tr>
<td>4</td>
<td>Optional Composition Scheme for the taxable service of promotion, marketing or organising /assisting in organising lottery [Sub-rule (7C)]</td>
</tr>
<tr>
<td>5</td>
<td>Interest on delayed payment of service tax (Section 75)</td>
</tr>
</tbody>
</table>
Rule 6(7) Air Travel Agent
Person liable for paying service tax in relation to the services of

booking of tickets for travel by air provided by an air travel agent,

shall have the option
Option to pay following amount instead of paying service tax at the rate of 12%:

<table>
<thead>
<tr>
<th>In the case of</th>
<th>Option to pay an amount calculated at the rate of</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Domestic bookings</strong> of passage for travel by air, during any calendar month or quarter, as the case may be,</td>
<td><strong>0.6%</strong> of the basic fare</td>
</tr>
<tr>
<td><strong>International bookings</strong> of passage for travel by air, during any calendar month or quarter, as the case may be,</td>
<td><strong>1.2%</strong> of the basic fare</td>
</tr>
</tbody>
</table>
1. The option once exercised shall apply uniformly in respect of all the bookings of passage for travel by air made by him and shall not be changed during a financial year under any circumstances.

2. Basic fare means that part of the air fare on which commission is normally paid to the air travel agent by the airline.
Life Insurance
The business of effecting contracts of insurance upon human life, including *any contract whereby the payment of money is assured on death* (except death by accident only) or the happening of any uncertain event.[Rule 2(ccb)]
Rule 6 (7A): Insurer Carrying on Life Insurance Business

Option to pay tax

1. On the gross premium charged from a policy holder reduced by the amount allocated for investment, or

2. savings on behalf of policy holder, if such amount is intimated to the policy holder at the time of providing of service.
### Insurer Carrying on Life Insurance Business.

#### Option to pay tax

- **i.** Where amount of the gross premium allocated for investment or
- **ii.** Savings on behalf of policy holder is not intimated to the policy holder at the time of providing of service:-

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>First year</td>
<td>3%</td>
<td>on the gross amount of premium charged</td>
</tr>
<tr>
<td>Subsequent year</td>
<td>1.5%</td>
<td>on the gross amount of premium charged</td>
</tr>
</tbody>
</table>

Towards the discharge of his service tax liability instead of paying service tax at the rate of 12%.
where the entire premium paid by the policyholder is only towards risk cover in life insurance.
Rule 6(7B)
Sale/Purchase of Foreign Currency
Including Money Changing
Paying service tax at the following rate of instead of 12%:-

<table>
<thead>
<tr>
<th>Sr. no.</th>
<th>For an amount</th>
<th>Service tax shall be calculated at rate of</th>
</tr>
</thead>
</table>
| 1.      | Upto `100,000 | 0.12% of the gross amount of currency exchanged  |\ or \  
|         |               | `30 \ whenever is higher                 |
| 2.      | Exceeding `100,000 and upto `10,00,000 | `120 + 0.06% of the (gross amount of currency exchanged - `1 lakh) |
| 3.      | Exceeding `10,00,000 | `660 + 0.012% of the (gross amount of currency exchanged - `10 lakh) \ or \  
|         |               | `6,000 \ whenever is lower                |
Sale/Purchase of Foreign Currency Including Money Changing

Option not available in certain cases

The person providing the service shall exercise such option for a financial year and such option shall not be withdrawn during the remaining part of that financial year.
**Rule 6(7C)**

**Taxable service of promotion, marketing or organising /assisting in organising lottery**

---

**Optional Composition Scheme**

Paying service tax at the following rate of instead of 12%:-

<table>
<thead>
<tr>
<th>Where the guaranteed lottery prize payout is &gt; 80%</th>
<th>Rs.7,000/- on every 10 Lakh (or part a of 10 Lakh) of aggregate <strong>face value</strong> of lottery tickets <em>printed by</em> the organising State for a draw.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where the guaranteed lottery prize payout is &lt; 80%</td>
<td>Rs.11,000/- on every Rs. 10 Lakh (or part of Rs. 10 Lakh) of aggregate <strong>face value</strong> of lottery tickets <em>printed by the organising State for a draw.</em></td>
</tr>
</tbody>
</table>
In case of online lottery, the aggregate face value of lottery tickets will be the aggregate value of tickets sold.

The distributor/selling agent will have to exercise such option within a period of one month of the beginning of each financial year. The new service provider can exercise such option within one month of providing the service.

The option once exercised cannot be withdrawn during the remaining part of the financial year.
Meaning of Important Terms

**Distributor or selling agent**

- An individual or firm or body corporate or other legal entity under law so appointed by the Organising State through an agreement to market and sell lotteries on behalf of the Organising State.
- [Rule-2(c) of the Lottery (Regulation) Rules, 2010] and
- shall include the distributor/selling agent authorized by lottery organizing State.
A method by which the *prize winning number are drawn for each lottery/ lottery scheme*

by operating the *draw machine or any other mechanical method based*

on *random technology* which is visibly transparent to the viewers

[Rule 2(d) of the Lottery (Regulation) Rules,2010].
Online lottery

A system created to permit *players to purchase lottery tickets*

generated by the computer or online machine at the lottery terminals

where the information about the sale of a ticket and the player's *choice of any particular number or combination of numbers is simultaneously registered* with the central computer server

[Rule 2(e)of the Lottery (Regulation) Rules, 2010].
The State Government which conducts the lottery either in its own territory or sells its tickets in the territory of any other State [Rule 2(f) of the lottery (Regulation) Rules, 2010]
Section 75
Interest on Delayed Payment of Service Tax

failure to pay service tax, Including a part thereof

within the period prescribed, attracts simple interest

not below 10% p.a.

but not exceeding 36% p.a.

as may be notified by the Central Government.

Interest would also apply in case of excess availing and utilization of CENVAT credit.
Rate of Interest in Case of Delayed Payment of Service Tax

Currently rate

@18% p.a has been notified vide Notification No. 14/2011 dated 01.03.2011
Interest is payable-

for the period by which such crediting of the tax or

Any part thereof is delayed.
### Illustration

The computation of interest is as under:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due date of Payment</td>
<td>05.01.2012</td>
</tr>
<tr>
<td>Actual Date of Payment</td>
<td>30.03.2012</td>
</tr>
<tr>
<td>No of days of delay (26+29+30)</td>
<td>85 (days)</td>
</tr>
<tr>
<td>Amount of service tax</td>
<td>Rs.10,000/-</td>
</tr>
<tr>
<td>Calculation of interest</td>
<td>( \frac{10,000 \times 85 \times 18}{366 \times 100} )</td>
</tr>
<tr>
<td>Amount of interest payable</td>
<td>Rs.418/-</td>
</tr>
</tbody>
</table>
### Rate of Interest in Case of Delayed Payment of Service Tax

#### Specified assesses:

A service provider, whose value of taxable service proany of the financial years covered by the notice during the preceding financial year.

#### Specified assesses

#### Non specified assesses

Concessional rate of interest of **15%p.a** Currently

1. No Concessional rate of interest

2. Rate @**18% p.a** (Currently)
**Interest**

<table>
<thead>
<tr>
<th>Decision</th>
<th>Interest is a civil liability of assessee who has retained amount of public money. Interest is mandatory even if evasion of duty is not mala fide or intentional.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td>CCE V. Padmashri VV Patil SSK Ltd. (2007) 215 ELT 23 (Bombay High Court)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decision</th>
<th>Interest payable even when there was no intention to evade payment of duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td>General Manager, BSNL v. CCE (2009) 19 STT 201 (CESTAT SMB)</td>
</tr>
</tbody>
</table>
### Interest

<table>
<thead>
<tr>
<th>Decision</th>
<th>Interest is <strong>compensatory</strong> in nature. It can not be waived.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td>CCE v. Hemant N Talekar (2012) 34 STT 473 - 18 taxmann.com 43 (Karnataka High Court)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decision</th>
<th>Interest is <strong>automatic</strong>. No demand notice or written notice is required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td>CTO V. Kanhai Ram Thekedar AIR 2005 SC 3033 (141 STC 1 [SC])</td>
</tr>
</tbody>
</table>
Unit 2: 

Filing of Return
Learning Objectives

To understand the procedure relating to **filing** of service tax returns

To know the **frequency** of Service tax returns

To be aware of the **due date** for filing of returns
Filing of Returns (Section 70, Rule 7, Rule 7B, & Rule 7C of Service Tax Rules 1994):

Section 70(1)

Every person liable to pay the service tax
- Shall himself assess the tax due on the services provided by him

Shall furnish to the Superintendent of Central Excise,

In such
- Form
- Manner
- Frequency, As may be Prescribed
Section 70(2)

(i) An Input Service Distributor,

(ii) Any provider of taxable service whose aggregate value of taxable service in a financial year exceeds Rs. 9,00,000/-.

The person or class of persons notified under section 69(2) shall furnish to the Superintendent of the Central Excise, a return in such form, manner, and frequency, as prescribed.
An office of the manufacturer or
Producer of final products or
Provider of output service,

Which receives invoices issued under rule 4a of the Service Tax Rules, 1994 towards purchases of **input services and issues invoice, bill or challan** for the purposes of **distributing the credit of service tax paid** on the said services to such manufacturer or producer or provider.
**Filing of Return:**

<table>
<thead>
<tr>
<th></th>
<th>Form of return</th>
<th>Return / Revised return has to be furnished in Form ST-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Periodicity of filing return</td>
<td>Service tax return has to be filed on a <strong>half-yearly basis</strong>.</td>
</tr>
</tbody>
</table>
### Filing of Return

| 3. | Details to be furnished | Return must indicate month wise:  
|    |                        | i) The **value** of the taxable service 
|    |                        | ii) Gross amount charged 
|    |                        | iii) Service tax payable |

| 4. | Enclosures to return | Half-yearly return in form ST-3 is required to be accompanied by:  
|    |                      | i) Photocopy of **counterfoil of GAR-7 challan**  
|    |                      | ii) Memorandum in **Form ST-3A (where the assessment is provisional)** |
Due Dates of Filing the Service Tax Return:

The Service Tax Return, in Form ST-3 should be filed on half yearly basis by the 25th of the month following the particular half year.
Due Dates of Filing the Service Tax Return:

<table>
<thead>
<tr>
<th>Half year</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; April To 30&lt;sup&gt;th&lt;/sup&gt; September</td>
<td>25&lt;sup&gt;th&lt;/sup&gt; October</td>
</tr>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; October To 31&lt;sup&gt;st&lt;/sup&gt; March</td>
<td>25&lt;sup&gt;th&lt;/sup&gt; April</td>
</tr>
</tbody>
</table>

When the due date falls on public holiday:

In case the due date of the filing of return i.e. **either 25<sup>th</sup> October or 25<sup>th</sup> April** falls on a public holiday, the assessee can file the return on the **immediately succeeding working day**
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Period</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>April-June 12</td>
<td>25&lt;sup&gt;th&lt;/sup&gt; Nov, 2012</td>
</tr>
<tr>
<td>2</td>
<td>July – September 12</td>
<td>30&lt;sup&gt;th&lt;/sup&gt; April, 2013</td>
</tr>
<tr>
<td>3</td>
<td>October 12 – March 13</td>
<td>31&lt;sup&gt;st&lt;/sup&gt; August, 2013</td>
</tr>
</tbody>
</table>
Revised Return (Rule 7B)

Assessee can submit a revised return,

In Form ST-3, in triplicate

Within the **period of 90 days** from the date of submission of the original return.
It is provided that where the assessee submits a Revised Return, the relevant date for the purpose of recovery of service tax, if any, under section 73 of the act shall be the date of submission of such Revised Return.
Revised Return after 90 days

If a mistake is noticed after 90 days

No provision under the Service Tax Law to revise return after 90 days.

If the result is a “REFUND” it should be by way of a separate refund application.

Self adjustment unless permitted expressly, can not be made.
Revised Return after 90 days

If a mistake is noticed after 90 days

If an assessee has not taken CENVAT credit of

- Certain *inputs*
- Certain *input services*
- Certain *capital goods*

Assessee can avail it in subsequent period, since there is **no time limit** for availing CENVAT credit.

This will be **reflected** in SERVICE TAX RETURN for that subsequent period, as in normal course.
A Delayed return can also be furnished by paying the prescribed late fee. Section 70(1) provides for filing of periodical return after the date with the prescribed late fee of not more than Rs. **20,000/-**
Late Fee For Delayed Return (Rule 7C)

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Period of Delayed</th>
<th>Late Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>A)</td>
<td>15 Days from the date prescribed for submission of the Return</td>
<td>Rs. 500</td>
</tr>
<tr>
<td>b)</td>
<td>Beyond <strong>15 Days</strong> but not <strong>later than 30 Days</strong></td>
<td>Rs. 1,000</td>
</tr>
<tr>
<td>c)</td>
<td>Beyond <strong>30 Days</strong> from the date prescribed for submission of the Return</td>
<td>An amount of Rs. 1,000 plus Rs. 100 for every day from the 31st day till the date of furnishing the said return</td>
</tr>
</tbody>
</table>

Subsequently late fee will be increased
Late Fee for Delayed Return (Rule 7C)

Maximum late fees:

Total late fee for delayed submission of return **shall not exceed Rs. 20,000**
Penalty for Delayed Returns

Once the payment is made for submitting delayed return, any penalty proceeding in respect of such delayed submission of return shall be deemed to be concluded.
Late fee may be reduced/ waived where service tax payable is Nil:

Where the gross amount of service tax payable is Nil, the Central Excise Officer may, on being satisfied that there is sufficient reason for not filing the return, reduce or waive the penalty (late fee)

[proviso to rule 7C]
Content of Return

General Details:

Financial year,

Name of the assessee

Registration number and address the premises for which return is being filed

Category of services
Content of Return

Other Details:

- Gross amount *received* in money against service provided
- Gross amount *received in money in advance for service to be provided*
- Value on which service tax is either *exempt/ or not payable*
- GAR-7 challan date and number
- *Abatement amount claimed*
Content of Return

Other Details:

6) *Notification number of abatement and exemption*

7) Service tax payable

8) Education cess payable

9) Credit details for service tax provider/recipient
Return Shall have to be furnished **half yearly** in a specified form, By Notification of CBEC to the **Jurisdictional Superintendent of Central Excise**, Return should have to be filed not later than the last day of the month following the half year period.
For an assessee who provides more than one taxable service,

only a single return will be sufficient.

However, the details in each of the columns of the Form ST-3 have to be furnished separately for each of the taxable service rendered by him.
Even if no service has been provided during a half year and no service tax is payable, the assessee has to file a NIL return within the prescribed time period.
NIL return is mandatory, if assessee is already registered.

It is to demonstrate genuineness that, no business generating taxable liability is generated during the period.
First Return:

Every assessee shall furnish to the Superintendent of Central Excise at the time of filing of return for the first time or the 31st day of January 2008 **Whichever is later**, a list in duplicate of:

- All the record prepared or maintained by the assessee for accounting of transaction in regard to-
  - Providing of any service, whether taxable or exempted
  - **Receipt or procurement of input services** and payment for such input services
No requirement of filing return for period prior to registration

- Assessee should pay respective dues along with interest and intimate Service Tax Department.

- It is advisable for an assessee to do the same on its own rather than waiting for SERVING of a “show cause” notice on to assessee.

- If therefore, payment is made prior to issuance of show cause of notice, no penalty is leviable.
First Return:

(c) Receipt, purchase, manufacture, storage, sale or delivery as the case may be, in regard of inputs and capital goods.

(d) Other activities, such as manufacture and sale of goods, if any.

2) All other financial record maintained by him in the normal course of business.
E-filing of returns is mandatory for the assessee. **With effect from 01/10/2011**, every assessee will have to submit **half-yearly service tax return electronically**, irrespective of the **amount of service tax paid** by him in the preceding financial year.
It is convenient for the assessee to file the service tax returns from his office, residence or any other place of choice, through the internet, by using a computer.

DG (system) has issued comprehensive instructions outlining the procedure for electronic filing of Service tax returns and electronic payment of taxes under ACES.
The Service Tax Return Preparer Scheme 2009 notified through Notification 7/2009 ST dated 03/02/2009 is framed by The Central Board of Excise and Customs for enabling person or class of persons to prepare and furnish a return under Section 70.
Scheme for submission of returns through Service Tax Return Preparers (STRP) (Section 71): 

“Service Tax return preparer” means any individual, who has been authorized to act as a Service Tax Return Preparer under the Scheme.

“Person or Class of Persons” means such person, as may be specified in the scheme who is required to furnish a return required to be filed under Section 70.
<table>
<thead>
<tr>
<th>The manner and period in which the Service Tax Return Preparer shall be authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>The educational and other qualifications to be possessed, and the training and other conditions required to be fulfilled,</td>
</tr>
<tr>
<td>(c) The code of conduct,</td>
</tr>
<tr>
<td>(d) The duties and obligation</td>
</tr>
<tr>
<td>(e) The circumstances under which the authorization given to a Service Tax Return Preparer may be withdrawn</td>
</tr>
<tr>
<td>(f) Any other matter is required to be or may be specified by the scheme</td>
</tr>
</tbody>
</table>
### Accounting Codes
**Between 07-07-2012 to 20.11.2012**

<table>
<thead>
<tr>
<th>Type</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Taxable Services (Other Than Negative List)</td>
<td>00441 089</td>
</tr>
<tr>
<td>Other Receipts (Interest)</td>
<td>00441 090</td>
</tr>
<tr>
<td>Penalties</td>
<td>00441 093</td>
</tr>
<tr>
<td>Refund (*)</td>
<td>00441 094</td>
</tr>
<tr>
<td>Education Cess</td>
<td>00440 298</td>
</tr>
<tr>
<td>Secondary And Higher</td>
<td>00440 426</td>
</tr>
<tr>
<td>Secondary Education Cess</td>
<td></td>
</tr>
</tbody>
</table>

(*) Only to be used by Central Excise Department.
Wrong Accounting Code does not mean Tax Payable Again

Summary of “issues” where it is held by Courts / authorities, that, 
*service tax is not required to be paid again*

<table>
<thead>
<tr>
<th>Issue</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wrong Payment of education cess alongwith duty amount</td>
<td>Authority Asil Industries v. CCE ( 2001) 136 ELT 692 ( CEGAT )</td>
</tr>
<tr>
<td>Duty was paid under wrong head</td>
<td>Authority Nahar Spinning Mills v. CCE (2009) 240 ELT 131 (CESTAT) &amp; CCE V. Veena Industries ( 2012 ) 34 STT 549 - 18 Taxmann.com 264 (CESTAT)</td>
</tr>
<tr>
<td>Duty paid under one head can be adjusted against liability in other head as both are excise duties</td>
<td>Authority Coats Vivella India Ltd. v. CCE (1999) (111) ELT 90 ( CEGAT )</td>
</tr>
</tbody>
</table>
## Liability in Respect of Professionals

### Relevant Test

<table>
<thead>
<tr>
<th>Situation</th>
<th>Methodology to be followed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services rendered prior to 31.03.2012</td>
<td>Liability to be discharged @ 10.30% if payment is received before 01.04.2012</td>
</tr>
<tr>
<td>Services rendered after 31.03.2012</td>
<td>Liability to be discharged @ 12.36% if payment is received after 01.04.2012. Service provider can issue differential invoice i.e. difference between 12.36 % and 10.30 %. Service receiver can get CENVAT Credit.</td>
</tr>
</tbody>
</table>
Website List for Students

1. http://aces.gov.in
2. http://cbec.gov.in
3. http://sermon.nic.in
4. http://www.cesstat.gov.in
5. http://www.ltuct.gov.in
6. http://www.pccacbce.nic.in
7. http://www.finmin.nic.in
Questions from Previous Examinations
A multiple Service provider should file multiple service tax returns, one for each service provided.

False.
A service provider providing multiple services is allowed to file single return if he furnishes separate details of each of the services in respect of each column of the service tax return.
A Ltd., a foreign company incorporated in U.K., provides taxable services in India to B Ltd., an Indian Company incorporated in Mumbai. In the instance, the service recipient and not the service provider is liable to tax.

True.
In case of taxable services provided from a country other than India and received in India, the person liable to pay service tax is the recipient of such service.
Even if no service is provided during a half year and no service tax is payable, the assessee has to file a NIL return within the prescribed time period.

True.
A ‘NIL’ return has to be filed even if no service has been provided in a particular half year.
The assessee cannot file a revised return under Service Tax Law.

False.
An assessee can file a revised return within a period of 90 days from the date of submission of the original return.
Question .2

What are the consequences of non payment or delayed payment of Service Tax?
(November, 2012)

Consequences of non payment or delayed payment of Service Tax :-

- In case of non payment or delayed payment of Service Tax interest is leviable on the amount of tax liable to be paid for the period of delayed/non-payment. **Payment of interest in mandatory in all circumstances.**
Every person who fails to deposit the service tax or any part thereof to the account of Central Government within the prescribed period has to pay simple interest at a rate of 18% p.a.

A concessional rate of interest of 15% p.a. is available to the taxpayers whose value of taxable services rendered in any of the years covered in the notice or the preceding financial years does not exceed Rs.60 Lakhs.
For computing the period of delay in payment of Service Tax, the month is counted from the next day from the date on which the payment of service tax was due.
Question 3:

Briefly explain the provision relating to advance payment of service tax. (November, 2012)
The assessee has been provided with a facility to make advance payment of service tax on his own act. He can adjust the amount so paid against the service tax which he is liable to pay for the subsequent period.

Such facility shall be available when the assessee:

- Intimates the details of the amount of service tax paid in advance, to the Jurisdictional Superintendent of Central Excise within the period of 15 days from the date of such payment, and
- Indicates the details of advance payment made, and its adjustment, if any in the subsequent return filed.
Question 4:

Explain the treatment of excess amount of Service tax collected from the recipient under service tax. 
(November, 2012)
Treatment of excess Service tax collected:

Where the amount has been collected, in excess of the tax assessed or determined and paid, for any taxable service from the recipient of such service, the person who is liable to pay such amount shall, immediately remit the excess amount to the credit of the Central Government.

In addition to the amount, he would be liable to pay interest. Interest shall be payable at 18% p.a. from the first day of the month succeeding the month in which the amount should have been paid till the date of payment of such amount.
Where such amount is reduced or increased in an appeal, the interest payable thereon shall be on such reduced or increased amount.

A concessional rate of interest of 15% p.a. is available to the taxpayers whose value of taxable services rendered in any of the years covered in the notice or the preceding financial years does not exceed Rs.60 Lakhs.
Thank you...