

Service Tax



Service Tax is an indirect tax levied on certain category of services provided by a person, firm, agency, etc. The Government of India has marked a set of services as taxable under the service tax structure. The seller provides a service and the responsibility of paying the service tax to the government rests with the seller.



Information on service tax



Currently, the rate of service tax on all the taxable services is **10%**. As of date, service tax is applicable on 102 categories of services. A few of the listed services have an [abatement](#) facility. Service tax returns are to be filed to the Commissionerate of Service Tax for the fiscal half-year. Information on the registration, rules, list of services, rate of service tax, forms, etc can be found on the official website for service tax - <http://www.servicetax.gov.in/>.



Service Tax Flow



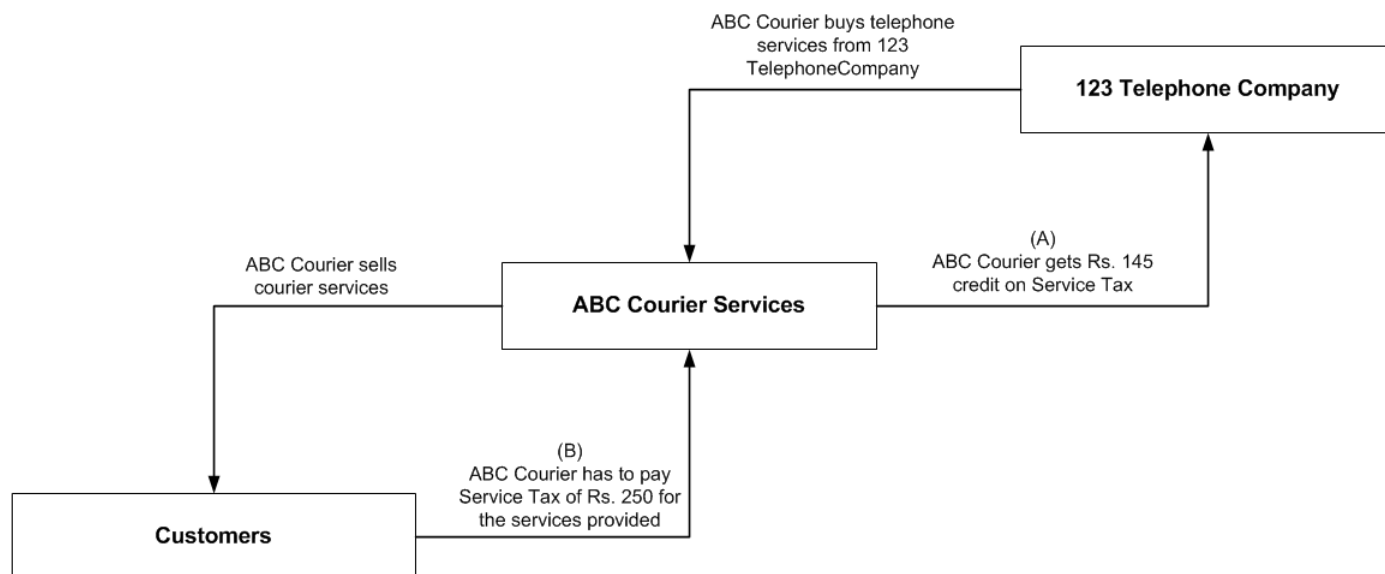
When you buy and sell services?

A person/firm providing a service that comes under the service tax category has to pay service tax. Service tax is to be shown separately in the invoice and is payable based on the payment realized and not on the total amount shown in the invoice. Similarly, when you buy a service that falls under service tax category, you avail service tax credit based on the payment made. So, you pay service tax on the services that you sell and get credit on the service tax payable when you buy a service.

Adjusting credit?

While you pay service tax on sale of services that come under the service tax category, you can adjust service tax credit availed on purchase of services (Buyer). This deduction is called adjusting credit against service tax. The difference between the service tax that you have to pay for selling services and the service tax credit on purchases that can be adjusted is the payable service tax.

Service tax (sales) that is adjustable against service tax credit (purchases) is also called availing input credit. Let us look at an example.



Service Tax paid on services provided (B)	= Rs. 250
Service Tax credit on payment to telephone company (A)	= Rs. 145
Total Service Tax payable by ABC Courier Company (B-A)	= Rs. 105

Assessable value

Service tax is calculated on the assessable value. The assessable value is the service charge value minus abatement and expenses.

Abatement

The government has given a deduction on the value to be considered for service tax on a few categories of services. For example, some categories of services include material value. A caterer has to procure materials to prepare food products and sell services. Service tax is charged on the total amount for the service and does not include the rate of the materials procured. Hence a deduction is provided. This deduction from the service charges to be considered for service tax is called abatement. Abatement is either a percentage of the service charges.

Example:

a. Charge on Service	Rs. 10, 000/-
b. If an abatement of 30% is applied, then abatement	Rs. 3, 000/-
c. Here, the assessable value is (a-b)	Rs. 7, 000/-
Therefore, service tax @ 10 % on Rs.7, 000/-	Rs. 700/-

Expenses

Expenses can be deducted from the total service charge to get the taxable amount. Expenses are allowed only for those services which are provided by the assessee as a Pure Agent.

Payment of Service Tax

How much do I pay?

A seller provides a service to a buyer and bills the buyer for the service. The bill is inclusive of the service tax. The seller does not have to pay service tax on the total bill amount but only on the payment received.

Example:

Charge on service	Rs. 10,000/-
Service tax @ 10%	Rs. 1,000/-
Cess on Service Tax @ 2%	Rs. 20/-
Secondary higher education cess @ 1%	Rs. 10/-
Total bill	Rs. 11,030/-

Here, the total service-tax turns out to be:

Service Tax @ 10%	Rs. 1,000/-
Cess on Service Tax @ 2%	Rs. 20/-
Secondary Cess @ 1%	Rs. 10/-
Total	Rs. 1,030/-

Assuming, the buyer pays the seller Rs.5, 000/- as part payment, the service-tax payable for the payment received is calculated as given below.

Charge paid on service	(10,000 x 5,000)/11,030	Rs. 4533.09
Service tax on Rs.5000/- is	(1,000 x 5,000)/11,030	Rs. 453.31
Cess on service tax is	(20 x 5,000)/11,030	Rs. 9.07
Secondary Cess on Service Tax is	(10 x 5,000)/11,030	Rs. 4.53

Hence, service tax is payable only on the value of payment received by the seller and not on the gross amount charged or billed (invoice value).

Another case is when advance is received Service Tax to be calculated on such advances and to be paid to the government.

Where do I pay?

The service tax amount is to be paid using Form GAR 7 in any Nationalised Commercial Bank

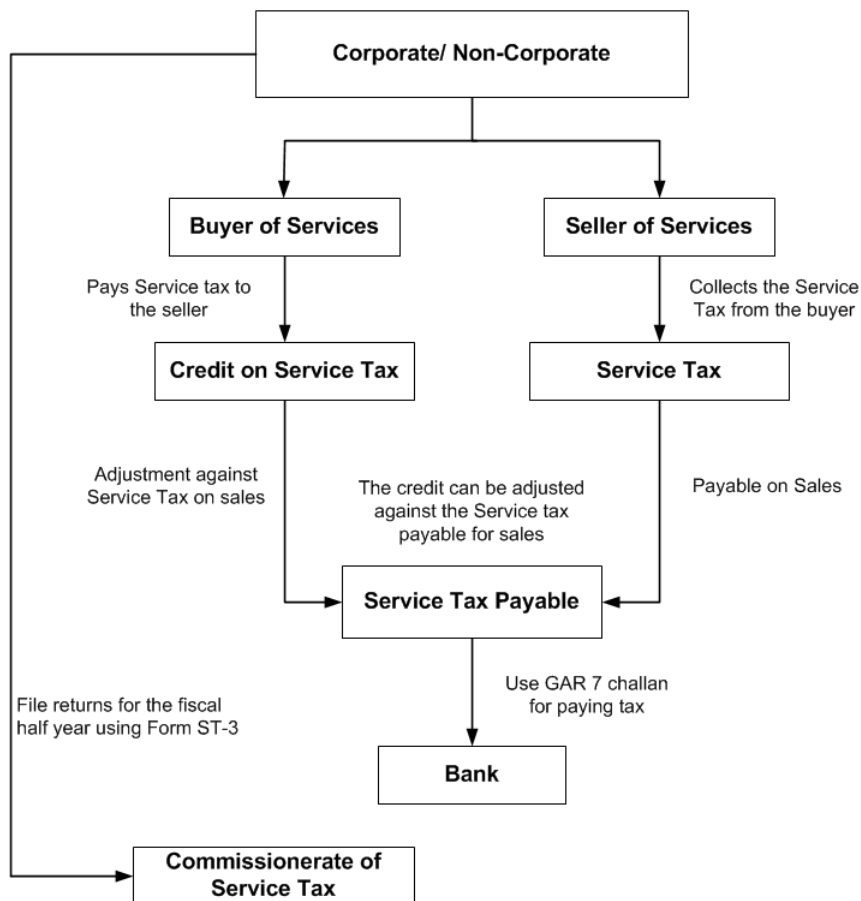
If your company is a corporate company, service tax is payable on a monthly basis by the 5th of the following month. For example, Service tax has to be paid by 5th January for the month of December.

Non-corporate like individuals, proprietary firms, partnership firms and so on, have to pay service tax for the fiscal quarter. The payment is to be made by the 5th day of the month following the quarter. For example, service tax for the quarter ending 30th June is to be paid by 5th July.

For the corporate and non-corporate bodies, service tax for the month of March is payable by 31st of March.

Filing returns

Corporate and non-corporate organizations have to file service tax half-yearly with details in Form ST-3 and Input Credit Form (Form 5) to the Commissionerate of Service Tax. The filing of returns should be within 5 days from the last day of the fiscal half-year. For the fiscal half-year ending-date of 30th September, the last day for filing service-tax returns is 5th October. Copies of all GAR – 7 issued during the period must be attached.



Service Tax in Tally.ERP 9



Features of Service Tax in Tally.ERP 9

Service tax integrated in Tally.ERP 9 takes care of your service tax transactions. It eliminates error-prone information, incorrect remittance, penalties, interests, compliance issues, etc. Service Tax in Tally.ERP 9 needs a one-time configuration for service tax features to be activated.

- Tally.ERP 9 tracks bill-wise (bill-by-bill) detail and automatically calculates service tax payable and input credit with the flexibility to make adjustments later.
- Service tax is part of a regular transaction. Information on service tax is maintained and produced category-wise, which is mandatory in service tax returns.
- Adjusts input credit towards service tax payable.
- Accounts for abatement and expenses.
- Provision for exemption notification details.
- Built-in assessable value feature on which service tax is calculated.
- Transfer earlier pending service tax payable and available service tax input credit in to Tally.ERP 9
- Reports are generated as per government suggested format. Print and file reports: GAR-7 Challans, Input Credit Form, ST 3 Report and ST 3A Report.
- Management Information Services (MIS) reports: Service Tax Payable Report and Input Credit Form



Enabling Service Tax in Tally.ERP 9



To enable Service Tax:

Go to Gateway of Tally > F11: Features > Statutory & Taxation

1. Set Enable Service Tax to Yes.
2. Set Set/Alter Service Tax Details to Yes to enter the Company Service Tax Details.

Company: ABC Company			
Statutory & Taxation			
Enable Dealer - Excise	? No	Enable Tax Deducted at Source (TDS)	? No
Set/Alter Dealer - Excise Details	? No	Set/Alter TDS Details	? No
Follow Excise rules for Invoicing	? No	Enable Tax Collected at Source (TCS)	? No
Enable Value Added Tax (VAT)	? No	Set/Alter TCS Details	? No
Set/Alter VAT Details	? No	Enable Fringe Benefit Tax (FBT)	? No
Enable Service Tax	? Yes	Set/Alter FBT Details	? No
Set/Alter Service Tax Details	? Yes		
Tax Information			
Local Sales Tax Number :			
Inter-state Sales Tax Number :			
PAN / Income - Tax No. :			
F1: Accounts F2: Inventory F3: Statutory			

Company Service Tax Details

The Company Service Tax Details screen is where you will enter the Company's service tax details.

Company Service Tax Details			
Service Tax Registration No.	: SRKAR043AA2589	Division	
Date of Registration	: 10-Apr-2007	Code	: South/Bang/524
Assessee Code	: ACR548KAR723T97	Name	: Bangalore
Premises Code No.	: 1548787	Range	
Type of Organisation	: Registered Private Ltd Company	Code	: Bang/Kar/0767/05
Is Large Tax Payer	? Yes	Name	: Ban/Kar
Large Tax Payer Unit	: Jayanagar	Commissionerate	
		Code	: 4056
		Name	: Smith

Service Tax Registration No. – Enter the registration number allotted to you by the Service Tax Department.

Date of Registration – Enter the date of registration of Service Tax for your service.

Assessee Code – Enter the code given to your company by the Service Tax Department.

Premises Code – Enter the Premises code/Location code. It is the identification number provided to the service tax payers.

Type of Organization – In this field select the type of your organization from the List of Organisations menu.

List of Organisations
Co-Op Society
Individual/Proprietary
Others
Partnership
Registered Private Ltd Company
Registered Public Ltd Company
Registered Trust
Society

IS Large Tax Payers – This field is set to Yes/No base on the amount of tax paid by the assessee.

Note: Large Tax Payers are those assesseees who pay large amount of Tax. They are the eligible taxpayer for the purposes of being served by the LTU. For e.g.: Rs.1 Crore

Large Tax payer Unit – Enter the name of the unit where the large tax payers pay tax.

Note: Large Tax Units (LTU) are self-contained tax administration offices under the Department of Revenue acting as a single window clearance point for all matters relating to central excise, income tax/corporate tax and service tax

Division

Code- Enter the code of the division in which your company falls.

Name - Enter name of the division under which your company falls.

Range

Code- Enter the code of the range of your company.

Name- Enter the name of the range under which your company falls.

Commissionerate

Code- This is the code of the Commissionerate of Service Tax under which the address of your registered premise is located.

Name- This is the name of the Commissionerate of Service Tax under whose range the address of your registered premise falls.



Display of Service Categories in Statutory Info.



Tally.ERP 9 provides you with predefined set of Service Categories. You can view the values of each of the Service Category.

Go to Gateway of Tally > Display > Statutory Info. > Service Categories

Service Category					
ABC Company					
Name : Air Travel Agency					
Applicable to Country : India					
Code : 00440033					
Accounting Code : 00440032					
Category Code : AIR					
Sub-Clause No. : I					
Service Tax Details					
Applicable From	Abatement (%)	Notification No.	Service Tax Rate (%)	Cess Rate (%)	Sec Cess Rate (%)
1-4-2005	0.50 %	Rule 6 (7) STR	10 %	2 %	1 %
18-4-2006	0.50 %		12 %	2 %	
1-9-2006			12 %	2 %	
11-5-2007			12 %	2 %	
24-2-2009			10 %	2 %	

Select the service category which you want to view. The Service Category screen has a Name field showing the category. This is followed by the fields Applicable to Country, Code, Accounting Code, Category Code and Sub-Clause No. fields.

Under Service Tax Details, the Applicable From column displays the period for which the Abatement (%), Service Tax Rate (%), and Cess Rate (%) and Secondary Cess Rate are applicable.

Note: Any changes to the values will be updated on the Tally website.



Creating Sales and Purchase Ledgers for Services



Creating Sales Ledger for services

Go to Gateway of Tally > Accounts Info. > Ledgers > Create

1. Enter the Name of the Sales ledger.
2. Select the Group Sales Accounts in the field Under.
3. Set Inventory values are affected to Yes.

Note: Set the Inventory values are affected field to Yes, if you are maintaining service as item. For example: You sell consultancy charged by the number of hours.

4. Set Is Service Tax Applicable to Yes.

5. In Category Name sub form, select the Category Name from the List of Service Categories.

6. Set Is Abatement Applicable to No.

Abatement Details

Notification No. : [REDACTED]

Percentage : 0 %

Ledger Creation		ABC Company	Ctrl
Name : Advertising Consultancy (alias) :		Total Op. Bal.	
Under : Sales Accounts	Mailing Details Name : Address : State : PIN Code :		
Inventory values are affected ? Yes			
Statutory Information Is Service Tax Applicable ? Yes Is Abatement Applicable ? No		Tax Information PAN / IT No. : Sales Tax No. :	
		Accept ? Yes or No	
Opening Balance (on 1-Apr-2008) :			

7. Accept the screen to save.

Note: Create a Service Tax ledger for each service category. For example, if you purchase services in two categories and sell services in three categories, create five service tax ledgers.

Creating Purchase Ledger for Services

Go to Gateway of Tally > Accounts Info. > Ledgers > Create

1. Enter the Name of the Purchase ledger.
2. Select the Group Purchase Accounts in the field Under.
3. Set Inventory values are affected to Yes.

Note: Set the Inventory values are affected field to Yes, if you are maintaining service as item. For example: You sell consultancy charged by the number of hours.

4. Set Is Service Tax Applicable to Yes.
5. In Category Name sub form, select the Category Name i.e. Advertising Agency from the List of Service Categories.
6. Set Is Abatement Applicable to No.

Ledger Creation		ABC Company	Ctrl
Name : Advertising Services (alias) :		Total Op. Bal.	
Under : Purchase Accounts	Mailing Details Name : Address : State : PIN Code :		
Inventory values are affected ? Yes			
Statutory Information Is Service Tax Applicable ? Yes Is Abatement Applicable ? No		Tax Information PAN / IT No. : Sales Tax No. :	
		Accept ? Yes or No	
Opening Balance (on 1-Apr-2008) :			

7. Press enter to accept and save.

Creating Output and Input Service Tax ledger



Creating Output Service Tax Ledger

To create an Output Service Tax ledger:

Go to Gateway of Tally > Accounts Info. > Ledgers > Create

1. Enter the Name of the ledger.
2. Select Duties & Taxes in the field Under.
3. Select the Type of Duty/Tax from the Types of Duty/Tax list.
4. Select the Category Name from the List of Service Categories.
5. Set Inventory values are affected to No.

Ledger Creation		ABC Company		Ctrl
Name	: Output Service Tax - Advt			Total Op. Bal.
(alias)	:			
Under		: Duties & Taxes (Current Liabilities)		
Type of Duty/Tax	: Service Tax	Name		:
Category Name	: Advertising Agency	Address		:
Inventory values are affected	? No	State		:
		PIN Code		:
		Tax Information		
		PAN / IT No.		:
		Sales Tax No.		:
				Accept ?
Opening Balance (on 1-Apr-2008) :				Yes or No

6. Press Enter to accept and save.

Creating Input Service Tax Ledger

To create an Input Service Tax ledger:

Go to Gateway of Tally > Accounts Info. > Ledgers > Create

1. Enter the Name of the ledger.
2. Select Duties & Taxes in the field Under.
3. Select the Type of Duty/Tax from the Types of Duty/Tax list.
4. Select the Category Name from the List of Service Categories.
5. Set Inventory values are affected to No.

Ledger Creation		ABC Company	Ctrl
Name : Input Service Tax -Advt (alias) :		Total Op. Bal.	
Under : Duties & Taxes (Current Liabilities)		Mailing Details	
Type of Duty/Tax : Service Tax	Name :		
Category Name : Advertising Agency	Address :		
Inventory values are affected ? No	State :		
	PIN Code :		
	Tax Information		
	PAN / IT No. :		
	Sales Tax No. :		
Opening Balance (on 1-Apr-2008) :		Accept ? Yes or No	

6. Press Enter to accept and save.



Creating a Customer Ledger



To create a Customer ledger:

Go to Gateway of Tally > Accounts Info. > Ledgers > Create

1. Enter the Name of the ledger.
2. In the field Under select Sundry Debtors from the List of Groups.
3. Set Maintain Balances Bill by Bill to Yes. Enter the Default Credit Period, if any.
4. Set Is Service Tax Applicable to Yes.

Ledger Creation		ABC Company	Ctrl
Name : Creative Agency (alias) :		Total Op. Bal.	
Under : Sundry Debtors (Current Assets)		Mailing Details	
Maintain balances bill-by-bill ? Yes	Name : Creative Agency		
Default Credit Period :	Address :		
Inventory values are affected ? No	State :		
	PIN Code :		
Statutory Information		Tax Information	
Is Service Tax Applicable ? Yes	PAN / IT No. :		
	Sales Tax No. :		
Opening Balance (on 1-Apr-2008) :			

5. Select the Type of Classification in the Exemption Details screen.

Exemption Details		ABC Company		Ctrl + M	
Name	: Creative Agency			Total Op. Bal.	
(alias)	:				
Under		: Sundry Debtors (Current Assets)		Mailing Details	
Maintain balances bill-by-bill		? Yes		Name	
Default Credit Period		:		: Creative Agency	
Inventory values are affected		? No		Address	
				:	
Is Service Tax Applicable		? Yes		State	
				:	
Statutory Information		Exemption Details		Classification	
		Type of Classification		: ☐ Not Applicable	
		Notification No.		:	
				Exempt	
				Export	
Opening Balance (on 1-Apr-2008) :					

Note: If Exempt classification is selected, then the Notification number has to be entered. The Exemption Notification No. will be displayed in the transaction, which can be changed if required. In ST3 Half Yearly return the Notification number will be displayed under section 3(C2).

6. Enter Mailing Details and Tax Information.

7. Enable the field Set/Alter Service Tax Details to Yes

Ledger Creation		ABC Company		Ctrl	
Name	: Creative Agency			Total Op. Bal.	
(alias)	:				
Under		: Sundry Debtors (Current Assets)		Mailing Details	
Maintain balances bill-by-bill		? Yes		Name	
Default Credit Period		:		: Creative Agency	
Inventory values are affected		? No		Address	
				: # 22	
				R.T. Nagar	
				Bangalore	
				State	
				: Karnataka	
				PIN Code	
				: 560052	
Is Service Tax Applicable		? Yes		Tax Information	
				PAN / IT No.	
				: AFCS5781M	
				Sales Tax No.	
				: 45879	
				Set/Alter ServiceTax Details?	
				: Yes	
Opening Balance (on 1-Apr-2008) :					

8. In Service Tax Details screen enter the Service Tax Registration details

Service Tax Details		ABC Company		Ctrl + M	
Name : Creative Agency (alias) :				Total Op. Bal.	
Under : Sundry Debtors <i>(Current Assets)</i>			<u>Mailing Details</u> Name : Creative Agency Address : # 22 R.T. Nagar Bangalore State : Karnataka PIN Code : 560052		
Maintain balances bill-by-bill : ? Yes					
Default Credit Period :					
Inventory values are affected : ? No					
<u>Statutory Info</u> Is Service Tax Applicable : ? Yes			<u>Service Tax Details</u> Service Tax No. : 25867 Service Tax Reg. Date : 1-Apr-2006		
			<u>Tax Information</u> Sales Tax No. : 45879 Set/Alter ServiceTax Details? Yes		
Opening Balance (on 1-Apr-2008) :					

Ledger Creation		ABC Company		Ctrl +	
Name : Creative Agency (alias) :				Total Op. Bal.	
Under : Sundry Debtors <i>(Current Assets)</i>			<u>Mailing Details</u> Name : Creative Agency Address : # 22 R.T. Nagar Bangalore State : Karnataka PIN Code : 560052		
Maintain balances bill-by-bill : ? Yes					
Default Credit Period :					
Inventory values are affected : ? No					
<u>Statutory Information</u> Is Service Tax Applicable : ? Yes			<u>Tax Information</u> PAN / IT No. : AFCSD5781M Sales Tax No. : 45879 Set/Alter ServiceTax Details? Yes		
			Accept ? Yes or No		
Opening Balance (on 1-Apr-2008) :					

9. Press Enter to accept and save.



Creating Party Ledgers for Service Tax



To create a Party Ledger for Service Tax,

Go to Gateway of Tally > Accounts Info > Ledgers > Create

1. Enter the Name of ledger as Advertising Agency.
2. In the field Under select Sundry Creditors from the List of Groups.
3. Set Maintain Balances Bill by Bill to Yes. Enter the Default Credit Period, if any.

4. Skip Inventory values are affected field.
5. Set Is Service Tax Applicable to Yes.
6. Select the Type of Classification from the List of Classification.

Exemption Details		Classification
Type of Classification	: ☐ Not Applicable	☐ Not Applicable Exempt Export

7. Enter Mailing Details and Tax Information.
8. Enable Set/Alter Service Tax Details to Yes

Ledger Creation		ABC Company	Ctrl
Name : Advertising Agency (alias) :		Total Op. Bal.	
Under : Sundry Creditors (Current Liabilities)		Mailing Details	
Maintain balances bill-by-bill : ? Yes Default Credit Period : Inventory values are affected : ? No		Name : Advertising Agency Address : # 144 Green Park Road Bangalore State : Karnataka PIN Code : 560045	
Is Service Tax Applicable : ? Yes		Tax Information	
Statutory Information		PAN / IT No. : APLLC0045N Sales Tax No. : 10140025577 Set/Alter ServiceTax Details? Yes	
Opening Balance (on 1-Apr-2008) :			

9. In Service Tax Details screen enter Service Tax Registration details

Service Tax Details		ABC Company	Ctrl + M
Name : Advertising Agency (alias) :		Total Op. Bal.	
Under : Sundry Creditors (Current Liabilities)		Mailing Details	
Maintain balances bill-by-bill : ? Yes Default Credit Period : Inventory values are affected : ? No		Name : Advertising Agency Address : # 144 Green Park Road Bangalore State : Karnataka PIN Code : 560045	
Is Service Tax Applicable : ? Yes		Tax Information	
Statutory Information		PAN / IT No. : APLLC0045N Sales Tax No. : 10140025577 Set/Alter ServiceTax Details? Yes	
Service Tax Details		Service Tax No. : 5487224 Service Tax Reg. Date : 20-Apr-2002	
Opening Balance (on 1-Apr-2008) :			

Ledger Creation		ABC Company	Ctrl
Name : Advertising Agency (alias) :			Total Op. Bal.
Under : Sundry Creditors (Current Liabilities)		Mailing Details Name : Advertising Agency Address : # 144 Green Park Road Bangalore State : Karnataka PIN Code : 560045	
Maintain balances bill-by-bill : ? Yes		Tax Information PAN / IT No. : APLLC0045N Sales Tax No. : 10140025577 Set/Alter ServiceTax Details? Yes	
Default Credit Period : ? No			
Inventory values are affected : ? No			
Statutory Information Is Service Tax Applicable : ? Yes			
Opening Balance (on 1-Apr-2008) :		Accept ? Yes or No	

10. Press Enter to accept and save.



Creating Ledgers for Excise



Create the Excise ledger if you are not using Excise Module of Tally.ERP 9

To create a Ledger for Excise:

Go to Gateway of Tally > Accounts Info > Ledgers > Create

1. Enter the Name of the ledger.
2. Select the Group Duties & Taxes from the List of Groups.
3. Select the Type of Duty/Tax from Types of Duty/Tax to Excise.
4. Select Excise Duty in Duty Head field.
5. Set Inventory Values are affected to No.
6. Set the Percentage of Calculation to 14%.
7. Select the appropriate Method of Calculation from the list of Type of Duty.
8. In Rounding Method field select as Not Applicable

Ledger Creation		ABC Company	Ctrl
Name : Excise @ 14%			Total Op. Bal.
(alias) :			
Under : Duties & Taxes : <i>(Current Liabilities)</i> Type of Duty/Tax : Excise Duty Head : Excise Duty Inventory values are affected ? No Percentage of Calculation (eg 5) ? 14 % Method of Calculation : On Total Sales Rounding Method : ☐ Not Applicable		Mailing Details Name : Address : State : PIN Code : Tax Information PAN / IT No. : Sales Tax No. :	
		Accept ? Yes or No	
Opening Balance (on 1-Apr-2008) :			

9. Press Enter to accept and save.

Similarly, you can create ledger for Education Cess – Excise and Secondary Education Cess, by selecting Duty Head as Cess on Duty and the Method of Calculation as Additional Tax.

- Education Cess - Excise.

Ledger Creation		ABC Company	Ctrl
Name : Education Cess - Excise			Total Op. Bal.
(alias) :			
Under : Duties & Taxes : <i>(Current Liabilities)</i> Type of Duty/Tax : Excise Duty Head : Cess On Duty Inventory values are affected ? No Percentage of Calculation (eg 5) ? 2 % Method of Calculation : Additional Duty Rounding Method : ☐ Not Applicable		Mailing Details Name : Address : State : PIN Code : Tax Information PAN / IT No. : Sales Tax No. :	
		Accept ? Yes or No	
Opening Balance (on 1-Apr-2008) :			

- Secondary Education Cess.

Ledger Creation		ABC Company		Ctrl
Name	: Secondary Education Cess			Total Op. Bal.
(alias)	:			
Under	: Duties & Taxes (Current Liabilities)	Mailing Details		
Type of Duty/Tax	: Excise	Name	:	
Duty Head	: Cess On Duty	Address	:	
Inventory values are affected	? No	State	:	
Percentage of Calculation (eg 5)	? 1 %	PIN Code	:	
Method of Calculation	: Additional Duty	Tax Information		
Rounding Method	: ☐ Not Applicable	PAN / IT No.	:	
		Sales Tax No.	:	
				Accept ?
Opening Balance (on 1-Apr-2008) :				Yes or No



Creating a Sales Voucher



To create a Sales voucher for Sale of Services,

Go to Gateway of Tally > Accounting Vouchers > F8: Sales

Note: Set Use Common Ledger A/c for Item Allocation to No in F12: Configure (Sales invoice Configuration)

1. Press Alt + I or click Alt + I: Acct. Invoice on the Buttons bar.
2. Enter the Date.
3. Enter the reference number in the Ref field if required.
4. Select Creative Agency in the field Party's A/c Name from the List of Ledger Accounts.
5. Select the Service ledger – Advertising Consultancy from the List of Ledger Accounts.
6. Enter Rs. 2,00,000 in the Amount field.
7. Select the Service Tax ledger – Output Service Tax - Advt. from the List of Ledger Accounts for the Service Tax Details sub form to appear.

Service Tax Computations		ABC Company		Ctrl + M	
Sales	No. 1	11-Apr-2008 Friday			
Ref.:					
Party's A/c Name : Creative Agency					
Current Balance :					
Particulars		Rate	per	Amount	
Advertising Consultancy				2,00,000.00	
Output Service Tax - Advt		12 %		24,720.00	
Service Tax-Bill Wise Detail for :					
Service Ledger : Advertising Consultancy					
Service Amount : 2,00,000.00					
Is Pure Agent Service ? No					
Less :					
Abatement Notification No. :					
Abatement : @ 0 %					
Expense :					
Assessable Value : 2,00,000.00					
Service Tax : @ 12 % 24,000.00					
Cess : @ 2 % 480.00					
Sec Cess : @ 1 % 240.00					
Total Service Tax : 24,720.00					
Service Tax-Bill Wise Detail for : Output Service Tax - Advt					
Type of Ref	Name	Amount	Dr/	Cr	
New Ref	Sale/1	24,720.00	Cr	2,24,720.00	

8. You can allocate the Expenses Amount if any, in above screen, else leave the field blank and tab down to accept the above screen.
9. Tab down through the Voucher entry screen for the Bill-wise Details sub form to appear.
10. Select New Ref from Method of Adj., Output Service Tax – Advt. from List of Service Tax Ledgers and accept the Bill-wise Details sub screen.

Bill-wise Details for : Creative Agency					
Upto: Rs. 2,24,720.00 Dr					
Type of Ref	Name	Due Date, or Credit Days (wef: 11-4-2008)	Service Tax Ledger	Amount	Dr/ Cr
New Ref	1		Output Service Tax - Advt	2,24,720.00	Dr
				2,24,720.00	Dr

11. Enter Narration if any in the Voucher entry screen.

Accounting Voucher Creation		ABC Company	Ctrl + M
Sales	No. 1	11-Apr-2008 Friday	
Ref.:			
Party's A/c Name : Creative Agency			
Current Balance :			
Particulars	Rate	per	Amount
Advertising Consultancy			2,00,000.00
Output Service Tax - Adv	12 %		24,720.00
(Cess 2 %, Sec Cess 1 %)			
Narration:			
			Accept ? Yes or No

12. Press Enter to accept and save.



Creating a Receipt Voucher



Tally.ERP 9 calculates the Service Tax liability on the payment received.

If a part payment of Rs.50,000 is received for the above Sales made, then Tally.ERP 9 back calculates the Service Tax liability considering Rs. 50,000 inclusive of Service Tax.

To create a Receipt voucher,

Go to Gateway of Tally > Accounting Vouchers > F6: Receipt

1. Select the customer ledger from the List of Ledger Accounts and enter the amount.
2. The Bill Wise Details sub form appears as shown.

3. Select the Type of Ref from the list of Method of Adj.
4. Select the Sales Voucher from the List of Pending Bills.
5. Accept the Bill-wise details sub screen.
6. Debit the Bank account.
7. Enter Narration, if any.

8. Press Enter to accept and save.



file:///C:/Documents and Settings/bb/Local Settings/Temp/~hhE122.htm



To create sales vouchers for Services exempted from Service Tax,

Step 1: Create a Customer Ledger

- 1. Enter the Name of the ledger.
- 2. In the field Under, select the Sundry Debtors from the List of Groups.
- 3. Set Maintain Balances Bill by Bill to Yes. Enter the Default Credit Period, if any.
- 4. Set Is Service Tax Applicable to Yes.
- 5. In Exemption Details sub form, select the Type of Classification as Exempt and enter the Notification No.

Exemption DetailsABC CompanyCtrl + M x

Name : Sun Advertisers
(alias) :

Total Op. Bal.
5,00,000.00 Dr
Difference
5,00,000.00 Dr

Under : Sundry Debtors
(Current Assets)

Mailing Details

Name : Sun Advertisers

Address :

State :

State :

Maintain balances bill-by-bill ? Yes
Default Credit Period :
Inventory values are affected ? No

Statutory Information

Is Service Tax Applicable ? Yes

Exemption Details

Type of Classification : Exempt
Notification No. : E25636

Tax Information

Dt. :

Opening Balance (on 1-Apr-2008) :

Step 2: Enter a Sales Voucher

Go to Gateway of Tally > Accounting Vouchers > F8: Sales (as Account Invoice)

- 1. Enter the reference number in the Ref field if required.
- 2. Select the Party's A/c Name from the List of Ledger Accounts.
- 3. Select the Service Ledger from the List of Ledger Accounts.
- 4. Enter the Amount.
- 5. Notification Number will be displayed automatically.

file:///C:/Documents and Settings/bb/Local Settings/Temp/~hhE122.htm

5/5/2009

Note: The Exemption Notification No. which was entered in the customer ledger master is displayed. This Notification Number can be altered while invoicing.

5. In the Bill-wise Details sub form, select New Ref for Type of Ref and Name as 2.
6. Select Service Tax ledger as Output Service Tax - Advt.
7. Accept the Bill Wise Details sub screen.

Note: Service tax ledger must be selected in bill-wise details screen for service tax exempt transactions to capture the transaction details in ST 3 Report.

8. Press Enter to accept and save.

Similarly, you can pass entries for an Export customer. The entry value will be displayed in Section 3 (F) (l) (c) (i) of the ST3 report.

Service Tax Payable Report

The screen display the details of the Service Tax Payable.

file:///C:/Documents and Settings/bb/Local Settings/Temp/~hhE122.htm

1. **Date** - The date of the sales invoice is displayed.
2. **Ref No.** - The reference number given to the sales invoice.
3. **Party's Name** – The name of the customer to whom the sale is made.
4. **Category Name** – Name of the category of service is displayed.
5. **Bill Value:** This column displays the bill amount.
 - **Assessable Value** – The assessable value for the service.
 - **Service Tax** - The total service tax calculated on the assessable value.
 - **Cess** - The sum of Education Cess and Secondary Education Cess (Applicable from 11-5-2007) calculated on Service Tax.
6. **Realised Value:** This column displays the amount received on the invoice value.
 - **Assessable Value** – The assessable value based on the realised value.
 - **Service Tax Payable** - The amount of service tax payable based on the realised value.
 - **Cess Payable** – The Total Cess (Education Cess and Secondary Education Cess) on the Service Tax Payable based on the realised value.
7. **Total Payable** – The amount of Service Tax Payable inclusive of Educational Cess and Secondary Education Cess is displayed in this field. This value is calculated on receipt of payment.

Use the Alt+P key or click on Print option to print your report.



Creating a Purchase Voucher



You can create a Purchase voucher to record the purchase of services.

Go to Gateway of Tally > Accounting Vouchers > F9: Purchase (as Account Invoice)

1. Enter the reference number in the Ref field if any.
2. Select the Party's A/c Name from the List of Ledger Accounts.
3. Select the Service Ledger (created under purchase group) from the List of Ledgers.
4. Enter the Amount.
5. Select the Input Service Tax ledger from the List of Ledger Accounts.
6. The Service Tax Details sub form appears as shown.

Service Tax Computations		ABC Company		Ctrl + M
Purchase	No. 1			19-Apr-2008
Ref:				Saturday
Party's A/c Name : Advertising Agency				
Current Balance :				
Particulars		Rate per	Amount	
Advertising Services			1,50,000.00	
Input Service Tax - Advt		12 %	18,540.00	
Service Tax-Bill Wise Detail for :				
Service Ledger	: Advertising Services			
Service Amount	: 1,50,000.00			
Is Pure Agent Service	? No			
Less :				
Abatement Notification No.	:			
Abatement	@	0 %		
Expense	:			
Assessable Value	: 1,50,000.00			
Service Tax	@	12 %	18,000.00	
Cess	@	2 %	360.00	
Sec Cess	@	1 %	180.00	
Total Service Tax	: 18,540.00			
Service Tax-Bill Wise Detail for : Input Service Tax - Advt				
Type of Ref	Name	Amount	Dr/	
			Cr	
New Ref	Purc/1	18,540.00	Dr	1,68,540.00

7. Accept the above screen for the Bill-wise details sub form to appear.

8. Select the Type of Ref from the list of Method of Adj.
9. Select the Input Service Tax ledger from the List of Service Tax Ledgers and accept the Bill- wise Details sub form.

Bill-wise Details for : Advertising Agency Upto: Rs. 1,68,540.00 Cr					
Type of Ref	Name	Due Date, or Credit Days (wef: 19-4-2008)	Service Tax Ledger	Amount	Dr/ Cr
New Ref	1		Input Service Tax - Advt	1,68,540.00	Cr
				1,68,540.00	Cr

10. Enter Narration, if any in the Voucher entry screen.

Accounting Voucher Creation		ABC Company	Ctrl + M
Purchase	No. 1		19-Apr-2008 Saturday
Ref.:			
Party's A/c Name : Advertising Agency			
Current Balance :			
Particulars	Rate	per	Amount
Advertising Services			1,50,000.00
Input Service Tax - Advt		12 %	18,540.00
	(Cess 2 %, Sec Cess 1 %)		
Narration:			
			Accept ? Yes or No

11. Accept the screen to save.

Creating a Payment Voucher

To create a Payment voucher,

Go to Gateway of Tally > Accounting Vouchers > F5: Payment

1. In Debit field, select the Party's A/c Name from the List of Ledger Accounts.
2. The Bill-wise Details sub form for the Party ledger appears as shown.
3. Select the Type of Ref from the List of Method of Adj.

4. Select the Purchase bill from the List of Pending Bills and accept the above screen.

Bill-wise Details for : Advertising Agency Upto: Rs. 1,68,540.00 Dr					
Type of Ref	Name	Due Date, or Credit Days (wef: 19-4-2008)	Service Tax Ledger	Amount	Dr/ Cr
Agst Ref	1		Input Service Tax - Advt	1,68,540.00	Dr
				1,68,540.00	Dr

5. Select the Bank account to be credited in the Voucher Entry screen.

6. Enter Narration, if any.

Accounting Voucher Creation		ABC Company		Ctrl + M
Payment	No. 1			21-Apr-2008 Monday
Particulars	Debit	Credit		
Dr Advertising Agency Cur Bal: 0.00 Dr		1,68,540.00		
Agst Ref 1	1,68,540.00 Dr	Input Service Tax - Advt		
Cr State Bank of India Cur Bal: 3,81,460.00 Dr		1,68,540.00		
Narration:		1,68,540.00	1,68,540.00	
Ch. No. :				
			Accept ? Yes or No	

7. Press Enter to accept and save.

Input Credit Form

The Input Credit Form report displays the details of Service Tax Input Credit available with the company as on a specified date. The same can be set off against Output service tax liability as per the requirement.

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Input Credit Form

The Input Credit Form is displayed as shown.

Input Credit Form											Ctrl + M	✖
ABC Company												
Input Credit Form											as at 21-Apr-2008	
Date	Ref. No.	Partys' Name/ Tax No.	Party Address	Category Name	Bill Value			Realised Value			Total Credit	
					Assessab- le Value	Service Tax	Cess	Assessab- le Value	Service Tax Credit	Cess Credit		
19-Apr-2008	Purc/1	Advertising Agency / 5487224	# 144, Green Park Road, Bangalore	Advertising Agency	1,50,000.00	18,000.00	540.00	1,50,000.00	18,000.00	540.00	18,540.00	

1. **Date** - Date of the purchase invoice.
2. **Ref No** - The reference number of the purchase invoice.
3. **Party's Name/Tax No.** - Name and Service Tax Registration number of the service provider.
4. **Party Address** – Address of the service provider.
5. **Category Name** - Name of the category of service purchased.
6. **Bill Value** - This column displays Assessable value, Service Tax and Cess amount (Education Cess and Secondary Education Cess) as per the invoice.
 - o Assessable Value – The net assessable value for the service purchased.
 - o Service Tax - Service tax payable as per the purchase invoice.
 - o Cess - Cess (Education Cess + Secondary Education Cess) on the service tax as per the purchase invoice.
7. **Realised Value:** This column displays the Assessable value, Service Tax and total Cess (Education Cess and Secondary Education Cess) calculated on the payment made against the invoice value.
 - o Assessable Value – The realised assessable value based on the payment made.
 - o Service Tax Credit - The realised amount of service tax credit based on the payment made.
 - o Cess Credit – Realised cess (Education Cess and Secondary Education Cess) on the Service Tax credit based on the payment made.
8. **Total Credit** – Available Service Tax Credit inclusive of Educational Cess and Secondary Educational Cess.

Use the Alt+P key or click on Print option to print your report.

Payment of Service Tax in Tally.ERP 9

To create a voucher for payment of Service Tax,

Go to Gateway of Tally > Accounts Info > F5: Payment

Note: Ensure that Use Single Entry mode for Pymt/Rcpt/Contra is set to No in F12: Configure (Payment Configuration)

1. Select the Output Service Tax ledger to be debited from the List of Ledger Accounts.
2. On selecting the above, the Service Tax Bill Details sub form appears.
3. Select the Type of Ref.
4. Select the Sales Bill from the List of Service Tax Bills and accept the Service Tax Bill Details sub form.

Tax Bill Details		ABC Company		Ctrl + M	
Payment	No. 2	24-Apr-2008 Thursday			
Particulars		Debit	Credit		
Service Tax Bill Details for : Output Service Tax - Advt					
Type of Ref	Name	Amount	Dr	Cr	
List of Service Tax Bills					
Agst Ref					
	Sale/1	11-Apr-2008	5,499.95 Cr	24,720.00 Cr	Total Service Tax
					Service Tax to be paid
					Date of Invoice

Note: The Service Tax Payable is arrived by back calculating the Service Tax liability considering Rs. 50,000 inclusive of Service Tax.

- Credit the Bank account.
- Set the option Provide Details to Yes
- In Payment Details screen enter From and To dates, Challan No., Challan Date, Bank Name, Cheque/Draft/Pay Order No. and Cheque date.

Payment Details	
From	: 1-Apr-2008
To	: 30-Apr-2008
Challan No.	: 457845
Challan Date	: 24-Apr-2008
Bank Name	: State Bank of India
Cheque/Draft/Pay Order No.	: 552784
Cheque Date	: 24-Apr-2008

Note: The period for which the payment is made is specified in the above screen.

- Enter the cheque no. in Narration field.

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment	No. 2	24-Apr-2008 Thursday	
Particulars	Debit	Credit	
Dr Output Service Tax - Advt	5,499.96		
<i>Cur Bal: 19,220.04 Cr</i>			
Cr State Bank of India		5,499.96	
<i>Cur Bal: 3,75,960.04 Dr</i>			
Provide Details : Yes			
Narration:			
Ch. No. :552784			
		5,499.96	5,499.96
		Accept ? Yes or No	

8. Accept the screen to save.

Note: You can make a payment for a single category in one payment voucher.

9. Press Alt + P and set Print GAR-7 Challan to Yes.

Voucher Printing	
Printer : (Ne00:)	Paper Type : Letter
No. of Copies : 1	
Print Language : English	(Printing Dimensions)
Method : Neat Mode	Paper Size : (8.50" x 10.98") or (216 mm x 279 mm)
Page Range : All	Print Area : (8.03" x 10.63") or (204 mm x 270 mm)
Report Titles	
Payment Voucher	
(with Print Preview)	
Print GAR-7 Challan : Yes	Print ? Yes or No

10. Use the Print Preview Option (ALT+I) to view the print preview of the challan. The challan will print in government prescribed format and can be used to remit service tax.

The print preview of GAR-7 Challan is displayed as shown.

1. **Full Name** - The name of the company is printed in this field.
2. **Complete Address** - The address of the company is printed in this field.
3. **Telephone No.** - The telephone number of the company is printed in this field.
4. **Assessee Code No.** - The Assessee Code No. entered as in F11: Features is printed in this field.
5. **Commissionerate Name** - The Commissionerate Name as entered in F11: Features is printed in this field.
6. **Commissionerate Code, Division Code, Range Code** - The details entered in F11: Features are printed in this field
7. **Accounting Code of the Service and Amount Tendered in Rupees** - The Accounting Code of the service and amount charged is displayed in this field.
 - o The first row displays the code and the amount for Service Tax
 - o The second row displays the code and the amount for Cess
 - o The third row displays the code and the amount for Secondary Education Cess
 - o The fourth row displays the code and the amount for Interest
 - o The fifth row displays the code and the amount for Penalty
 - o The sixth row displays the code and the amount for Other Expenses
8. **Total** - The total of all the services provided is printed in this field.
9. **(In Words) Rupees** - The total amount is printed in words.
10. **Cash/ Cheque/Draft/Pay Order No.** - The Cash/ Cheque/Draft/Pay Order No. is entered manually in this field
11. **Dated** - The payment date is entered in this field.
12. **Drawn On** - The name of the bank is entered manually in this field.
13. **Signature of the Tenderer with date** - The Tax Payer signs in the above field.
14. **Tax Payer's Counterfoil** - This section prints the same details as mentioned above and would be issued to the Tax Payer.



You can adjust your Service Tax payment using Input Service tax.

To create a Service Tax payment entry adjusting the Input Service Tax,

Go to Gateway of Tally > Accounting Vouchers > F5: Payment

1. Select the Output Service Tax ledger from the List of Ledger Accounts for the Service Tax Bill details to appear.
2. Select Agst Ref in the Type of Ref column.
3. Select the bill from the List of Service Tax Bills amount gets automatically updated.

4. Credit the Input Service Tax Ledger from the List of Ledger Accounts for the Service Tax Bill details to appear.
5. Select Agst Ref in the Type of Ref column.
6. Select the bill from the List of Service Tax Bills amount gets automatically updated.

7. Credit difference amount to the Bank A/c.
8. Set the field Provide Details to Yes.
9. Specify the Service Tax Period with Challan No., Date, Bank Name, Cheque/Draft/Pay Order No. and Cheque Date.
10. Enter Narration if any.

11. Press enter to accept and save.

12. Press Alt + P and set Print GAR-7 Challan to Yes.

13. Press Alt + I to view the preview as shown.

For payments from April 2007 onwards		G.A.R.-7 Proforma for Service Tax Payments		(Receipts & Payment Rules 2B)
Full Name	A B C C o m p a n y # 8 1 / 1 R a h e l a A r c a d e K o			
Complete Address	r a m a n g a l a . B a n g a l o r e 2 2 4 5 7 8 4 4 Pincode 5 6 0 0 7 2			
Telephone No.	A C R 5 4 8 K A R 7 2 3 T 9 7 S m i t h			
Assessee Code No.	4 0 S o			
Commissionerate Name	4 0 S o			
Commissionerate Code	4 0 S o			
Accounting Code of the Service	0 0 4 4 0 0 1 3 0 0 4 4 0 2 9 8			
Amount Tendered in Rupees	0 0 4 4 0 4 2 6 0 0 4 4 0 4 2 6			
Total	0 0 4 4 0 4 2 6 0 0 4 4 0 4 2 6			
RECEIVING BANK BRANCH STAMP				
(In words) Rupees Six Hundred Eighty Only. tendered by				
Cash/Cheque/Draft/Pay Order No. 556475 Dated 5-May-2008 Drawn on State Bnak of India				
Signature of the Tenderer with date				
TAX PAYER'S COUNTERFOIL				
Accounting Code of the Service	0 0 4 4 0 0 1 3 0 0 4 4 0 2 9 8			
Amount Tendered in Rupees	0 0 4 4 0 4 2 6 0 0 4 4 0 4 2 6			
Total	0 0 4 4 0 4 2 6 0 0 4 4 0 4 2 6			
RECEIVING BANK BRANCH STAMP				
Received from Assessee Code No. A C R 5 4 8 K A R 7 2 3 T 9 7				
(In words) Rupees Six Hundred Eighty Only.				
By Cash/Cheque/Draft/Pay Order No. 556475 Dated 5-May-2008 Drawn on State Bnak of India				
on account of Union Service tax as detailed in this taxpayer's counterfoil and on stamp affixed and signed therein.				



Creating a Purchase Voucher using Excise Duty



If you are not using Excise Module of Tally.ERP 9, follow the below mentioned procedure to record the purchase voucher to account excise duty.

The Excise Duty Input Credit can be availed on accrual and not on realization. You can create purchase entries using the Excise Duty ledgers.

Step 1: Create Party Ledger

To create the party ledger

Go to Gateway of Tally > Accounts info. > Ledgers > Create

1. Enter the Name of ledger as Universal Papers.
2. In the field Under select Sundry Creditors from the List of Groups.
3. Set Maintain Balances Bill by Bill to Yes. Enter the Default Credit Period, if any.
4. Skip Inventory values are affected field.
5. Set Is Service Tax Applicable to Yes.
6. Select the Type of Classification from the List of Classification.
7. Enter Mailing Details and Tax Information.

8. Press Enter to accept and save.

Step 2: Create Stock Item

To create stock item

Go to Gateway of Tally > Inventory Info. > Stock Item > Create

1. Enter the Name of stock item as Paper.
2. Select Primary in Under field.
3. Select Nos in Units field (use Alt+C to create the unit).
4. Press Enter to accept and save.

Step 3: Create Purchase Ledger

In F11: Features > F3: Statutory & Taxation Features

1. Set the option Enable Value Added tax (VAT) to Yes.
2. Enable the option Set/Alter VAT Details to Yes.

To create Purchase ledger

Go to Gateway of Tally > Accounts info. > Ledgers > Create

1. Enter the Name of ledger as Purchases @ 4%.
2. In the field Under select Purchase Accounts from the List of Groups.
3. Set Inventory values are affected to Yes.
4. Set Is Service Tax Applicable to No.
5. Set Used in VAT Returns to Yes.
6. Select Purchases @ 4% in the VAT/Tax Class sub form.
7. Press Enter to accept and save.

Step 4: Create Input VAT ledger

1. Enter the Name of ledger as Input VAT @ 4%.
2. In the field Under select Duties & Taxes from the List of Groups.
3. In Type of Duty/Tax field select VAT.
4. Select Input VAT @ 4% in VAT/ Tax Class field.
5. Set Inventory values are affected to No.
6. Press Enter to accept and save.

Step 5: Enter a Purchase Voucher

Go to Gateway of Tally > Accounting Vouchers > F9: Purchase (Item Invoice Mode)

1. Enter the Supplier Invoice No. and Date.
2. Select the Party's A/c Name from the List of Ledger Accounts.
3. Select the Stock Item from the List of Stock Items.
4. Enter the Quantity and Rate.
5. The Accounting Details sub form for the Stock Item appears.
6. Select the Purchase ledger from the List of Ledger Accounts.
7. Select the VAT/Tax Class, if not assigned during ledger creation.

8. Accept the Accounting Details screen.
9. Select the Excise ledgers from the List of Ledger Accounts.

Note: Tally.ERP 9 provides you with Excise Classification even if the Excise feature is not enabled.

10. Select the Input VAT ledger, created under Duties & Taxes from the List of Ledger Accounts.
11. Tab down for the Bill-wise Details screen to appear.
12. Select New Ref as Type of Ref.
13. Select Service Tax ledger as Not Applicable.

14. Accept the above screen for the Voucher Entry screen to re appear.
15. Enter Narration if any.

Accounting Voucher Creation		ABC Company		Ctrl + M
Purchase No. 2		Date :		2-May-2008 Friday
Supplier Invoice No. :				
Party's A/c Name : Universal Papers				
Current Balance :				
Name of Item	Quantity	Rate per	Amount	
Paper	100 Nos	10.00 Nos	1,000.00	
Excise @ 14%		14 %	140.00	
Education Cess - Excise		2 %	2.80	
Secondary Education Cess		1 %	1.40	
Input VAT @ 4%		4 %	45.77	
Narration:		100 Nos		Accept ? Yes or No

16. Press Enter to accept and save.

Credit Adjustment using Excise Credit

If you are not using Excise Module of Tally.ERP 9, follow the below mentioned procedure to adjust CENVAT Credit against Service Tax.

You can adjust your Service Tax payment using Excise Credit.

To adjust a Service Tax payment against Excise credit, create a voucher class and make an entry in journal voucher using the class.

Creating a Service Tax voucher class in Journal Voucher

Go to Gateway of Tally > Accounting Info. > Voucher Types > Alter

1. Select Journal Voucher from the List of Voucher Types. Retain all the fields as default.

To create the Journal Voucher Class, enter a name in the Name of Class field.

Voucher Type Alteration		ABC Company (FBT)		Ctrl + M
Name : Journal				
(alias) :				
General		Printing		Name of Class
Type of Voucher : Journal		Print after saving Voucher ? No		Service Tax.
Abbr. : Jml				
Method of Voucher Numbering ? Automatic				
Use Advance Configuration ? No				
Use EFFECTIVE Dates for Vouchers ? No				
Make 'Optional' as default ? No				
Use Common Narration ? Yes				
Narrations for each entry ? No				

- Class: Service Tax screen is displayed. To create a class for adjusting service tax, set the option Use Class for Service Tax Adjustments to Yes.

Voucher Type Class

ABC Company

Ctrl + M

Name : Journal

(alias) :

Use Class for VAT Adjustments ? No

Use Class for Service Tax Adjustments ? Yes

Ledger account to use

Ledger Name

Type of Voucher

Abbr.

Method of Voucher

Use Advance Con

Use EFFECTIVE Da

Make 'Optional' as d

Use Common Narrat

Narrations for each e

Class : Service Tax

Use of Class

Tax

Save the Voucher Alteration.

Entry of Journal Voucher using Voucher Class

In F12: Configure (Journal Configuration) ensure Allow Cash Accounts in Journals is set to Yes.

1. Select F7: Journal with Service Tax Voucher Class.

Voucher Type

Name : Journal

Class : Not Applicable

Voucher Class List

Not Applicable

Service Tax

2. In the Used for field, select the appropriate Tax Adjustment method from the Service Tax Adjustments list.

Accounting Voucher Creation

ABC Company

Ctrl + M

Journal

No. 1

Voucher Class : Service Tax

5-Jun-2008

Thursday

Used for: CENVAT Credit Adjustment

Service Tax Adjustments

CENVAT Credit Adjustment

Service Tax Adjustment U/S 6(3)

Service Tax Adjustment U/S 6(4A)

Particulars

Debit

Credit

Dr

3. Select the Output Service Tax ledger from the List of Ledger Accounts for the Service Tax Bill details to appear.
4. Select Agst Ref in the Type of Ref column.
5. Select the bill from the List of Service Tax Bills and specify the amount.

Service Tax Bill Details for : Output Service Tax - Advt			
Type of Ref	Name	Amount	Dr/ Cr
Agst Ref	Sale/3	144.20	Dr
		144.20	Dr

6. Credit the Excise Ledgers and specify the amount.
7. Set the field Provide Details to Yes.
8. Specify the Service Tax Period.
9. Enter Narration, if any.

Accounting Voucher Creation		ABC Company	Ctrl + M
Journal	No. 1	Voucher Class : Service Tax	5-Jun-2008 Thursday
Used for: CENVAT Credit Adjustment			
Particulars	Debit	Credit	
Dr Output Service Tax - Advt <i>Cur Bal: 61,655.80 Cr</i>	144.20		
Cr Excise @ 14% <i>Cur Bal: 0.00 Cr</i>		140.00	
Cr Education Cess - Excise <i>Cur Bal: 0.00 Cr</i>		2.80	
Cr Secondary Education Cess <i>Cur Bal: 0.00 Cr</i>		1.40	
Provide Details: Yes			
Narration:			
	144.20	144.20	

Accept ?
Yes or No

10. Press Enter to accept and save.

The adjusted values of CENVAT Credit is displayed under section 4A(l)(a)(ii) of ST3 Report.

The amount refunded for non providing of the service for which service tax was paid on receipt of such money can be adjusted against the liability of the subsequent period U/S 6(3). This adjustment entry can be recorded in Journal using the voucher class by selecting Service tax Adjustment U/S 6(3).

Any amount paid in excess of the liability in any month or quarter can be adjusted against subsequent month or quarter subject to conditions U/S 6(4A). This adjustment entry can be recorded in Journal using the voucher class by selecting Service tax Adjustment U/S 6(4A).

Note: Assessee needs to produce the source documents to claim the benefit of credit adjustment U/S 6(3) and U/S 6(4A). The source document details can be viewed in ST3 Report under section 4B.

The adjusted values U/S 6(3) and U/S 6(4A) are displayed in section 4A(l)(a)(iii) and 4A(l)(a)(iv) respectively in ST3 Report.

Note: Credit adjusted is divided into Service tax, Education Cess and Secondary and Higher Education Cess paid.



Creating Vouchers for Arrears



To create vouchers for Arrears:

Go to Gateway of Tally > Accounting Vouchers > F5: Payment

- 1. Select ledger Arrears created under Indirect Expenses from the List of Ledgers (Use Alt + C to create the Ledger).

Note: Ledgers created under direct and indirect expenses by enabling service tax and selecting the appropriate service Category, can be selected to account for arrears, penalty, interest and others.

- 2. Select the payment type Arrears, from the List of Payment.

Payment Type

ABC Company

Ctrl + M

✕

Payment

No. 4

5-Jun-2008

Thursday

Particulars	Debit	Credit
Dr: Arrears		
Cur Bal:		
Payment Type Arrears Payment Type ☐ Not Applicable Arrears Interest Others Penalty		
Narration:		

Note: You can create vouchers for Interest, Others and Penalty by selecting the appropriate options

- 3. Enter the Debit amount.
- 4. **Credit the Bank account.**
- 5. Enable Provide Details and enter From and To Date, Challan No., Challan Date, Bank Name, Cheque/ Draft/ Payorder No. and Cheque Date.
- 6. Enter Narration, if any.

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment	No. 4	20-Jun-2008 Friday	
Particulars	Debit	Credit	
Dr Arrears Cur Bal: 50,000.00 Dr	50,000.00		
Cr State Bank of India Cur Bal: 10,61,800.00 Dr		50,000.00	
Provide Details : Yes			
Narration: 457151	50,000.00	50,000.00	
		Accept ? Yes or No	

7. Press Enter to accept and save.

The value of the above entry is displayed in Section 4A (I) (d) (i) of the ST3 report.

Similarly, Payment entry for Penalty and Interest can be passed.

- A Payment entry for Penalty, for Rs. 1500 will be displayed in Section 4A (I) (d) (viii) of the ST3 report.
- A Payment entry for Interest, for Rs. 2000 will be displayed in Section 4A (I) (d) (vii) of the ST3 report.

Transferring Earlier Service Tax Entries into Tally.ERP 9

You can transfer your pending Service Tax payable and available Service Tax Input Credit into Tally.ERP 9.

Let us consider that the Input Service Tax has a debit opening balance of 618.00 and the Output Service Tax has a credit opening balance of 1236.00 for the previous year.

Creating Input/Output Service Tax ledgers – For Current Year

To transfer the above Service Tax Payable and Input service tax to the current year, a new ledger should be created with Service Tax enabled, as mentioned below.

Go to Gateway of Tally > Accounts Info > Ledgers > Create

1. Enter the Name of the service Tax Ledger.
2. Select the Group Duties & Taxes from the List of Groups in the field Under.
3. Select the Type of Duty as Service Tax from the Types of Duty/Tax.
4. Select the Category Name from the List of Service Categories.

Ledger Creation		ABC Company
Name : Input ST - Courier Service	Total Op. Bal.	
(alias) :		
Under : Duties & Taxes (<i>Current Liabilities</i>) Type of Duty/Tax : Service Tax Category Name : Courier Agency		
		Accept ?
Opening Balance (on 1-Apr-2008) :		Yes or No

Similarly, you can create ledger for Output Service Tax.

Ledger Creation		ABC Company
Name : Output ST - Courier Service	Total Op. Bal.	
(alias) :		
Under : Duties & Taxes (<i>Current Liabilities</i>) Type of Duty/Tax : Service Tax Category Name : Courier Agency		
		Accept ?
Opening Balance (on 1-Apr-2008) :		Yes or No

Creating Customer/Party ledger

Now, create the customer and party ledgers by setting Maintain Balances bill-by-bill to Yes and enter the opening balance.

Assume that balance carried forward from previous year, for a supplier is Rs. 5,618 and for a customer is Rs. 11,236. The ledger creation screen is displayed as shown.

Ledger Creation		ABC Company	Ctrl
Name : Orion Couriers			Total Op. Bal.
(alias) :			11,236.00 Dr
			Difference
			11,236.00 Dr
Under : Sundry Debtors (Current Assets)		Name : Orion Couriers	
Maintain balances bill-by-bill ? Yes		Address : #147 Krishna Complex M.G.Road Bangalore	
Default Credit Period :		State : Karnataka	
Inventory values are affected ? No		PIN Code : 560001	
	<u>Statutory Information</u>		<u>Tax Information</u>
Is Service Tax Applicable ? Yes		PAN / IT No. : ACPPL0014M	
		Sales Tax No. : 45675215421	
		Set/Alter ServiceTax Details? Yes	
Opening Balance (on 1-Apr-2008) : 11,236.00 Dr		Accept ? Yes or No	

Create the Input and Output Service Tax ledgers for previous year.

1. Enter the Name of the Input service Tax Ledger.
2. Select the Group Current Asset from the List of Groups in the field Under.
3. Enter the Opening Balance.

Ledger Creation		ABC Company	Ctrl
Name : Service Tax Input (alias) :			Total Op. Bal.
Under : Current Assets	Mailing Details Name : Address : State : PIN Code :		
Inventory values are affected ? No	Tax Information PAN / IT No. : Sales Tax No. :		
		Accept ? Yes or No	
Opening Balance (on 1-Apr-2008) :			

Similarly create Service Tax Output ledger.

Ledger Creation		ABC Company	Ctrl
Name : Service Tax Output (alias) :			Total Op. Bal.
Under : Current Liabilities	Mailing Details Name : Address : State : PIN Code :		
Inventory values are affected ? No	Tax Information PAN / IT No. : Sales Tax No. :		
		Accept ? Yes or No	
Opening Balance (on 1-Apr-2008) :			

Note: The Input and Output Service Tax ledger for the previous year is created without the Service Tax feature enabled and setting the opening balances

Create Journal Voucher – To account Previous year Input Service Tax

Let us now create a Journal Voucher to transfer Input service Tax.

Go to Gateway of Tally > Accounting Vouchers > F7: Journal

1. Debit the Input Service Tax ledger created for the current year selecting from the List of Ledger Accounts.

The Service Tax Bill Details for the Input Service Tax ledger is displayed.

2. Select the Type of Ref from Method of Adj.
3. Enter the Amount.

Service Tax Opening Bills for :	
Service Tax Opening Bills for : Input ST - Courier Service	
Party Ledger	: Swift Couriers
Bill Name	: Bill-01
Abatement %	: @ 0
Expense	:
Assessable Value	: 5,000.00
Service Tax %	: @ 12
Cess %	: @ 2
Sec Cess %	: @ 1
Service Tax	: 600.00
Cess	: 12.00 Dr
Sec Cess	: 6.00 Dr

11. Accept the Service Tax Opening Bill Details screen.

12. Credit the Service Tax Input ledger created under Duties & Taxes for previous year.

This journal will nullify the Input Service Tax Ledger of the previous year and transfer the pending service tax bill and the relevant tax information to the current Service Tax ledger.

Note: The Input and Output Service Tax ledger for the previous year is created without the Service Tax feature enabled and setting the opening balances. The Service Tax liability and the Input Service Tax should be entered separately for each bill.

13. Enter Narration if any.

Accounting Voucher Creation		ABC Company	Ctrl + M
Journal	No. 1	Voucher Class : ☐ Not Applicable	1-Apr-2008 Tuesday
Particulars	Debit	Credit	
Dr Input ST - Courier Service Cur Bal: 618.00 Dr	618.00		
Cr Service Tax Input Cur Bal: 0.00 Cr		618.00	
Narration:		618.00	618.00
		Accept ? Yes or No	

14. Press Enter to accept and save.

View Input Credit Form report to see the effect of previous year Service Tax transfer to the current financial year.

Create Journal Voucher – To account Previous year Output Service Tax.

Go to Gateway of Tally > Accounting Vouchers > F7: Journal

1. Debit the Output Service Tax ledger created for the previous year.
2. Enter the Amount i.e. Rs. 1236 in the Debit field.
3. Credit the Output Service Tax ledger created for the current year

The Service Tax Bill Details for the Service Tax ledger is displayed.

4. Enter the Amount.

5. Accept the above screen for the Service Tax Opening Bill Details to appear.
6. Select the Customer ledger from the list of Service Party Ledgers.
7. Select the appropriate bill from the List of Pending Bills.
8. Enter the Rate of Abatement if any.
9. Enter the Expense if any.
10. Enter the Assessable Value.
11. Enter the Rate of Service Tax.
12. Enter the Rate of Education Cess and Secondary Education Cess.

13. Accept the above screen.
14. Enter Narration if any.

Accounting Voucher Creation

ABC Company

Ctrl + M

Journal

No. 2

Voucher Class : ☐ Not Applicable

1-Apr-2008
Tuesday

Particulars	Debit	Credit
Dr Service Tax Output <i>Cur Bal: 0.00 Dr</i>	1,236.00	
Cr Input ST - Courier Service <i>Cur Bal: 618.00 Cr</i>		1,236.00

Narration:

1,236.00

1,236.00

Accept ?
Yes or No

15. Press Enter to accept and save.

View Service Tax Payable report to see the effect of previous year Service Tax transfer to the current financial year.



Service Tax Statutory Reports



To view Service Tax Statutory Reports

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports

Gateway of Tally

Display Menu

Statutory Reports

Service Tax Reports

Service Tax Payables

Input Credit Form

ST3 Report

Quit

Service Tax Statutory Reports are

- [Service Tax Payables](#)
- [Input Credit Form](#)
- [ST3 Reports](#)



ST3 Report



The ST3 Report is a statutory report. This report displays the ST3 Form in the government prescribed format that is used to file Half – Yearly Service Tax returns to the Commissionerate of Service Tax.

Go to Gateway of Tally > Display > Statutory Reports > Service Tax Reports > ST3 Report

1. Use the Alt+P key or click on Print option to print your report.

This will display the Form ST-3.

1. In Period For field, select the period for which ST3 Report to be printed.
2. Specify the Place and Date for Printing ST3 Report.

Form ST - 3		ABC Company		Ctrl + M																															
Current Period 1-4-2008 to 31-3-2009		Current Date Thursday, 5 Jun, 2008																																	
List of Selected Companies																																			
Name of Company ABC Company		Date of Last Entry 2-Jul-2008																																	
<table><tbody><tr><td>Printer</td><td>: (Ne00:)</td><td>Paper Type</td><td>:</td><td colspan="2">Letter</td></tr><tr><td>No. of Copies</td><td>: 1</td><td></td><td></td><td colspan="2"></td></tr><tr><td>Print Language</td><td>: English</td><td></td><td></td><td colspan="2">(Printing Dimensions)</td></tr><tr><td>Method</td><td>: Neat Mode</td><td>Paper Size</td><td>:</td><td colspan="2">(8.50" x 10.98") or (216 mm x 279 mm)</td></tr><tr><td>Page Range</td><td>: All</td><td>Print Area</td><td>:</td><td colspan="2">(8.03" x 10.63") or (204 mm x 270 mm)</td></tr></tbody></table>						Printer	: (Ne00:)	Paper Type	:	Letter		No. of Copies	: 1					Print Language	: English			(Printing Dimensions)		Method	: Neat Mode	Paper Size	:	(8.50" x 10.98") or (216 mm x 279 mm)		Page Range	: All	Print Area	:	(8.03" x 10.63") or (204 mm x 270 mm)	
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Report Titles																																			
Form ST - 3																																			
(with Print Preview)																																			
ST-3 Period																																			
Period For : [April - September]																																			
Place : Bangalore																																			
Date : 30-9-2008																																			

This is how the printed document will look:

FORM ST-3	
(Return under section 70 of the Finance Act, 1994)	
[ORIGINAL / REVISED RETURN]	
Financial Year 2008-09	
For the period	
☒ April-September	☐ October-March
1A. Has the assessee opted to operate as Large Taxpayer ☐ Yes	
(As defined under Rule 2 (ea) of the Central Excise Rules, 2002 read with rule 2 (1)(cccc) of the Service Tax Rules, 1994)	
1B. If reply to column "1A" is 'yes', name of Large Taxpayer Unit (LTU) opted for	Jayanagar
2A. Name of the assessee	ABC Company
2B. STC No.	SRKAR043AA2589
2C. Premises code No.	1548787
2D. Constitution of assessee	
(i) Individual / Proprietary	☐
(ii) Partnership	☐
(iii) Registered Public Ltd Company	☐
(iv) Registered Private Ltd Company	☒
(v) Registered Trust	☐
(vi) Society/Co-op Society	☐
(vii) Other	☐

3. Computation of Service Tax

A1. Name of Taxable service

Advertising Agency

A2. Assessee is liable to pay Service Tax on this taxable service as,-

(i) a service provider; or

(ii) a service receiver liable to make payment of Service Tax

B. Sub-clause No. of clause(105) of section 65

C1. Has the assessee availed benefit of any exemption notification ('Y/N')

C2. If reply to column "C1" is 'Yes', please furnish notification nos.

E25636

D. If abatement is claimed as per notification no. 1/2006-ST, please furnish Sr. No. in the notification under which such abatement is claimed

E1. Whether provisionally assessed ('Y/N')

E2. Prov. assessment order No. ('if any')

F. Value of taxable service, service tax payable and gross amount charged

	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I) Service Tax Payable							
(a)	Gross amount received / (paid) in money						
	(i) against service provided	2,00,000.00	2,66,995.00	2,33,005.00			
	(ii) in advance for service to be provided						
(b)	Money equivalent of considerations received / (paid) in a form other than money						
(c)	Value on which Service Tax is exempt / not payable						
	(i) Amount received against export of service						
	(ii) Amount received / (paid) towards exempted service (other than export of service, i.e., (i) above)						
	(iii) Amount received as / (paid to) pure agent						
(d)	Abatement amount claimed						
(e)	Taxable value = (a+b) minus (c+d)	2,00,000.00	2,66,995.00	2,33,005.00			
(f)	Service Tax rate wise break-up of taxable value = (e)						
	(i) Value on which Service Tax is payable @ 5%						
	(ii) Value on which Service Tax is payable @ 8%						
	(iii) Value on which Service Tax is payable @ 10%						
	(iv) Value on which Service Tax is payable @ 12%	2,00,000.00	2,66,995.00	2,33,005.00			
	(v) other rate, if any						
(g)	Service Tax Payable = (5% of f(i) + 8% of f(ii) + 10% of f(iii) + 12% of f(iv) + f(v)X other rate)	24,000.00	32,039.40	27,960.60			
(h)	Education Cess payable = (@2% of Service Tax)	480.00	640.79	559.21			
(i)	Secondary and Higher Education Cess payable = (@1% of Service Tax)	240.00	320.39	279.61			
(II) Taxable amount charged							
(j)	Gross amount for which bills / invoices / challans are issued relating to service provided / to be provided (including export of service and exempted service)	2,20,000.00	5,00,000.00				
(k)	Money equivalent of other consideration charged, if any, in a form other than money						
(l)	Amount charged for exported service provided / to be provided						
(m)	Amount charged for exempted service provided / to be provided (other than export of service given at (l) above)	20,000.00					
(n)	Amount charged as pure agent						
(o)	Amount claimed as Abatement						
(p)	Net taxable amount charged = (j + k) minus (l + m + n + o)	2,00,000.00	5,00,000.00				

4. Amount of service tax paid in advance under sub-rule(1A) of rule 6.

	Month / Quarter (1)	April (2)	May (3)	June (4)	July (5)	August (6)	September (7)
(a)	Amount deposited in advance						
(b)	Challan Nos.						
(c)	Challan Dates						

4A. Service Tax, Education Cess and other amounts paid

	Month / Quarter (1)	April (2)	May (3)	June (4)	July (5)	August (6)	September (7)
--	------------------------	--------------	------------	-------------	-------------	---------------	------------------

(i) Service Tax, Education Cess, Secondary and Higher Education Cess paid

(a) Service Tax Paid							
(i) in cash		6,000.00					
(ii) by CENVAT Credit		18,000.00	140.00				
(iia) by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A)							
(iii) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules							
(iv) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules							

(b) Education Cess Paid							
(i) in cash		120.00					
(ii) by CENVAT Credit		360.00	2.80				
(iia) by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A)							
(iii) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules							
(iv) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules							

(c) Secondary and Higher Education Cess Paid -							
(i) in cash		60.00					
(ii) by CENVAT Credit		180.00	1.40				
(iia) by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A)							
(iii) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules							
(iv) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules							

(d) Other Amounts Paid							
(i) Arrears of revenue paid in cash			48,543.69				
(ii) Arrears of revenue paid in credit							
(iii) Arrears of Education Cess paid in cash			970.87				
(iv) Arrears of Education Cess paid in credit							
(v) Arrears of Sec & Higher Edu Cess paid in cash			485.44				
(vi) Arrears of Sec & Higher Edu Cess paid in credit							
(vii) Interest paid			2,500.00				
(viii) Penalty paid			1,000.00				
(ix) Section 73A amount paid							
(x) Any other amount							

(II) Details of Challan (Vide which Service Tax, Education Cess, Secondary and Higher Education Cess and other amounts paid in cash)

(a)	Challan Nos	(i)	457845	25647				
		(ii)	45781	25456				
		(iii)		35647				
		(iv)						

(b)	Challans Date	(i)	24-Apr-2008	20-Jun-2008				
		(ii)	5-May-2008	30-Jun-2008				
		(iii)		2-Jul-2008				
		(iv)						

4B. Source documents details for entries at column 4A(I)(a) (iii), 4A(I)(a) (iv), 4A(I)(b)(iii), 4A(I)(b) (iv), 4A(I)(c) (iii), 4A(I)(c) (iv), 4A(I)(d)(i) to (vii)

Entry in table 4A above		Source documents date	
Sl. No.	Month / Quarter		

4C. Details of amount of Service Tax payable but not paid as on the last day of the period for which return is filed.....**5. Details of input stage CENVAT credit****5A. Whether the assessee providing exempted / non taxable service or exempted goods**

	(1)	(2)
(a)	Whether providing any exempted or non taxable service ('Y/N')	
(b)	Whether manufacturing any exempted goods ('Y/N')	
(c)	If any one of the above is yes, whether maintaining separate account for receipt or consumption of input service and input goods (refer to rule 6 (2) of CENVAT credit Rule, 2004)	
(d)	If any one of the (a) and (b) is 'yes', and (c) is 'no', which option is being availed under rule 6 (3) of the Cenvat Credit Rules, 2004	
	(i) Opted to pay an amount equal to 10% of the value of exempted goods and 8% of the value of exempted service (Y/N); or	
	(ii) Opted to pay an amount equivalent to CENVAT Credit attributable to inputs and input services used in or in relation to manufacture of exempted goods or provision of exempted	

5AA. Amount payable under rule 6 (3) of the Cenvat Credit Rules, 2004

	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	Value of exempted goods cleared						
(b)	Value of exempted goods provided						
(c)	Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by CENVAT Credit						
(d)	Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by cash						
(e)	Total amount paid = (c) + (d)						
(f)	Challan Nos, vide which amount mentioned in (d) is paid						
(g)	Challan Dates						

5B. CENVAT Credit Taken and Utilized

	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I) CENVAT Credit of Service Tax and Central Excise Duty							
(a) Opening Balance							
(b) Credit Taken							
(i) On Inputs							
(ii) On Capital Goods							
(iii) On Input Services received directly							
(iv) As received from input service distributor							
(v) From inter unit transfer by a LTU							
Total Credit Taken = (i+ii+iii+iv+v)							
(c) Credit Utilized							
(i) For Payment of Service Tax							
(ii) For Payment of Education Cess on taxable service							
(iii) For Payment of Excise or any Other Duty							
(iv) Towards clearance of Input Goods and Capital Goods removed as such							
(v) Towards inter unit transfer of LTU							
(vi) for payment under rule 6 (3) of the Cenvat Credit Rules, 2004							
Total Credit Utilized = (i+ii+iii+iv+v+vi)							
(d) Closing Balance of CENVAT Credit = (a+b-c)							

(II) CENVAT Credit of Education Cess and Secondary and Higher Education Cess							
(a) Opening Balance							
(b) Credit of Education Cess and Secondary and Higher Education Cess Taken							
(i) On Inputs							
(ii) On Capital Goods							
(iii) On Input Services received directly							
(iv) As received from input service distributor							
(v) From inter unit transfer by a LTU							
Total Credit of Education Cess and Secondary and Higher Education Cess Taken = (i+ii+iii+iv+v)							
(c) Credit of Education Cess and Secondary and Higher Education Cess Utilized							
(i) For Payment of Education Cess and Secondary and Higher Education Cess on services							
(ii) For Payment of Education Cess and Secondary and Higher Education Cess on goods							
(iii) Towards Payment of Education Cess and Secondary and Higher Education Cess on clearance of Input Goods and Capital Goods removed as such							
(iv) Towards inter unit transfer of LTU							
Total Credit of Education Cess and Secondary and Higher Education Cess Utilized = (i+ii+iii+iv)							
(d) Closing Balance of Education Cess and Secondary and Higher Education Cess = (a+b-c)							

6. Credit details for Input service distributor

	Month / Quarter	April	May	June	July	August	September
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I) CENVAT Credit of Service Tax and Central Excise Duty							
(a)	Opening Balance of CENVAT Credit						
(b)	Credit taken (for distribution) on Input Service						
(c)	Credit distributed						
(d)	Credit not eligible for distribution (rule 7(b) of CENVAT Credit Rules, 2004)						
(e)	Closing Balance						

(II) CENVAT Credit of Education Cess and Secondary and Higher Education Cess Credit							
(a)	Opening Balance of Education Cess and Secondary and Higher Education Cess credit						
(b)	Credit of Education Cess and Secondary and Higher Education Cess taken (for distribution) on Input Service						
(c)	Credit of Education Cess and Secondary and Higher Education Cess distributed						
(d)	Credit of Education Cess and Secondary and Higher Education Cess not eligible for distribution (rule 7(b) of CENVAT Credit Rules, 2004)						
(e)	Closing Balance						

7. Self Assessment memorandum

(a) I / We declare that the above particulars are in accordance with the records and books maintained by me / us and are correctly stated.

(b) I / We have assessed and paid the Service Tax and / or availed and distributed CENVAT credit correctly as per the provisions of the Finance Act, 1994 and the rules made thereunder.

(c) I / We have paid duty within the specified time limit and in case of delay, I / We have deposited the interest leviable thereon.

Place: Bangalore

Date : 30-Sep-2008

(Name and Signature of Assessee or
Authorised Signatory)

ACKNOWLEDGEMENT

I hereby acknowledge the receipt of your ST-3 return for the period April 2008 - September 2008

Place: Bangalore

Date : 30-Sep-2008

(Signature of the Officer of Central Excise & Service Tax)
(With Name & Official Seal)

Description of the fields

- Financial Year - Displays the Financial Year for which the ST3 report is generated.
- For the period - The Period for which the return is generated is check marked.
- Fields (1A,1B,2A,2B, 2C and 2D) - Are inputs provided in Company Service Tax Details by the assessee in F11: Features > F3 Statutory & Taxation.
- Computation of Service Tax.

This section of the ST3 form is repeated for each taxable service on which service tax is payable by the assessee during the half yearly period.

- (3A1) Name of Taxable service.

Here specific service tax category is printed.

- (3A2) Assessee is liable to pay service tax on this taxable service as:
 - (i) a service provider; or : This field is set to yes by default based on the service category.
 - (ii) a service receiver liable to make payment of service tax: Liability to pay service tax on services received it will be marked accordingly.
- (3B) Sub-clause No. of clause (105) of section 65 - The sub clause code which is displayed for each service tax category is displayed here.
- (3C1) Has the assessee availed benefit of any exemption notification ('Y/N') - This displays the details as Yes or NO
- (3C2) If reply to column "C1" is 'yes', please furnish notification Nos. - All the exemption Notification Nos entered in the party ledger are displayed.

Note: Filed 3C1 and 3C2 are displayed based on service which are identified as exempted during the transaction and all notifications nos are printed continuously

- (3D) If abatement is claimed as per notification No. 1/2006-ST, please furnish Sr. No. in the notification under which such abatement is claimed - This field displays the details of abatement serial number. This detail is picked up from the service tax details while entering transaction for a category which are eligible for abatement.
- (3E1) Whether provisionally assessed ('Y/N') - To be filled out by the assessee while submitting the form
- (3E2) Prov. assessment order No. ('if any') - To be filled out by the assessee while submitting the form
- (3F) Value of taxable service, service tax payable and gross amount charged - This section details the entire transactions for the half year and indicates the amount of service tax payable and Taxable amount charged which is the invoice value

- 3F (I) (a) Gross amount received/(paid) in money:
 - 3F (I) (a) (i) against service provided - It is the total amount received on provision of services for the category. This amount is an aggregate of all paid service invoices (includes taxable, exported, exempted and also continuous service) for the period.
 - 3F (I) (a) (ii) in advance for service to be provided - It is the total amount received as advance before provision of service for the category. (This amount is now being dealt with by raising invoices for advance received before the end of the period and hence will be reflected in 3F (I) (a) (i)).
- 3F (I) (b) Money equivalent of considerations received/(paid) in a form other than money: This displays transactions where invoices are adjusted against bills payable for example bills set-off against supply of material or offsetting value of services received.

Note: These transactions need to be aggregated by user and input into the form manually

- 3F (I) (c) Value on which service tax is exempt/not payable:
 - 3F (I) (c) (i) Amount received against export of service - This displays the transactions identified as export services. It will include both money received against services provided or advance received before provision of service.
 - 3F (I) (c) (ii) Amount received/ (paid) towards exempted service (other than export of services) - This displays all the transactions which are identified as Exempt services.
 - 3F (I) (c) (iii) Amount received as/(paid to) Pure Agent - This box aggregates all transactions identified as services rendered as pure agent the amount entered in the expenses field while rendering services for this category.
- 3F (I) (d) Abatement amount claimed - This is the aggregate of abatement claimed during transaction entry based on this category of service.
- 3F (I) (e) Taxable value =(a+b) minus (c+d) - Self explanatory
- 3F (I) (f) Service tax rate wise break-up of taxable value =(e) - Field (i) to(v) displays service tax rate wise break of the assessable value is displayed for the period.
- 3F (I) (g) Service tax payable= 5% of f(i)+ 8% of f(ii)+ 10% of f(iii) +12% of f(iv)+ f(v)X other rate) - The service tax payable is a product of rate of tax multiplied by the assessable value.
- 3F (I) (h) Education cess payable (@ 2% of Service tax) and 3F (I) (i) Secondary and higher education cess payable = (@ 1% of Service Tax) - It displays the aggregate value education cess and secondary & higher education cess is calculated on the Service tax amount in each transaction.
- 3F (II) (j) Gross amount for which bills/invoices/challans are issued relating to service provided/ to be provided (including export of service and exempted service) - This field displays the gross amount of every bill, invoice or challan raised during the month and excludes all components of the service taxes charged on the bill.
- 3F (II)(k) (k) Money equivalent of other consideration charged, if any, in a form other than money - This displays transactions where invoices are adjusted against bills payable for example bills set-off against supply of material or offsetting value of services received.
- 3F (II) (l) Amount charged for exported service provided/ to be provided - it displays the aggregate amount billed for service that is exported, for which no service tax is charged
- 3F (II) (m) Amount charged for exempted service provided/ to be provided (other than export of service given at (l) above) - This field displays the aggregate amount billed for the exempted services during the period
- 3F (II) (n) Amount charged as pure agent - it displays the aggregate of billing done by the assessee during the period as a “pure agent” is represented in this box.
- 3F (II) (o) Amount claimed as abatement - The aggregate amount of abatement availed under this service category for the month is displayed.
- 3F (II) (p) Net taxable amount charged =(j+k) minus(l+m+n+o) - Self explanatory
- (4) Amount of Service Tax paid in advance under sub-rule (1A) of Rule 6 - Details of service tax paid in advance challan number and challan dates are captured.
- (4A) Service Tax, education cess and other amounts paid - The boxes under sub section 1 i.e. (a) (b) (c) are for Service Tax Education Cess and Secondary & Higher education cess paid and consist of four boxes that are similar across the above service tax components and hence explanation are provided for just these four boxes

Note: To be filled by a person liable to pay service tax/Not to be filled by input service distributor

- (i) In cash: All payments made on GAR7 in cash, cheque or DD are aggregated under this box and for the month or quarter. Payments are specifically identified as payment against/for a period while making the payment
- (ii) By CENVAT credit: Where there is an excess of CENVAT credit for the particular period it is adjusted against service tax payable using a journal voucher and the same is flagged of as an entry to adjust Cenvat credit and the aggregate of the same is displayed in this box
- (iii) By adjustment of excess amount paid earlier and adjusted in this period under Rule 6 (3) of ST Rules: This box is populated with the totals of all service tax adjustments under rule 6 (3) of ST rules
- (iv) By adjustment of excess amount paid earlier and adjusted in this period under Rule 6 (4A) of ST Rules: This box is populated with the totals of all service tax adjustments under rule 6 (4) of ST rules
- 4(I) (d) Other amounts paid - The amounts are populated against specific liability arising against items listed as below at transaction
 - (i) Arrears of revenue paid in cash
 - (ii) Arrears of revenue paid by credit
 - (iii) Arrears of education cess paid in cash
 - (iv) Arrears of education cess paid by credit
 - (v) Arrears of Sec & higher edu cess paid by cash
 - (vi) Arrears of Sec & higher edu cess paid by credit
 - (v) Interest paid
 - (vi) Penalty paid
 - (vii) Section 73A amount paid
 - (viii) Any other amount

Note: Specific tags are provided for identifying the type of payment and are tracked to the relevant field in the form

- 4(II) Details of Challan (Vide which service tax education cess , secondary and higher education cess and other amounts paid in cash) - The challan numbers and dates on which the GAR 7 payments made for the period are populated here.

