

AMENDMENTS MADE BY THE FINANCE ACT, 2009

RELEVANT FOR MAY & NOVEMBER 2010 PCC EXAMINATIONS.

SERVICE TAX

Following are the services brought under the service tax net u/s 65(105) w.e.f 01st September, 2009,

Section reference	Services	Amendments
1) zzzzl	Transport of coastal goods, through inland water.	Nature of taxable service: Any service provided or to be provided in relation to transport of: (i) Coastal goods; (ii) Goods through national waterway; (iii) Goods through inland water, – Coastal goods mean goods other than imported goods, transported in a vessel from one port in India to another. – National waterway means the inland waterway declared by Sec.2 of the National waterway Act, 1982 to be a national waterway. Inland water means any canal, river, lake or other navigable water of the Inland Vessels Act, 1917, Service Provider: Any person rendering service under this clause Assessable Value: Cross amount charged for providing such service.
2) azzzzk	Cosmetic and plastic surgery service	Nature of taxable service: Any service provided or to be provided in relation to services, cosmetic surgery or plastic surgery, but does not included any surgery undertaken to restore or reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, degenerative diseases, injury or trauma. Service Provider: Any person rendering service under this clause. Assessable Value: Gross amount charged for providing such services.
3) zzzzm	Legal consultancy service	Nature of taxable service: - Any services provided or to be provided, to a service, business entity, by other business entity, in relation to advice, consultancy or assistance in any branch of law, in any manner. - Service provided by way of appearance before any court, tribunal or authority shall not amount to taxable service. Following activities are kept out of the gamut of service tax:(i) legal consultancy provided by an individual to business entity (ii) legal consultancy provided by business entity to an individual (iii) service provided by way of appearance before any Court, Tribunal or Authority. Service Provider: - Service tax is liable to be paid by any business entity. - Business entity includes an association of persons, body of individuals, company or firm but does not includes an individual Assessable Value: Gross amount charged for providing such services.

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Following are the amendments made in the scope of Existing taxable services effective from 01-09-2009.

Services	Prior to Amendment	Recent Amendment
Business Auxiliary services	Business auxiliary services rendered in connection with Manufacture of all goods (whether excisable or not) were taxable.	Amendment has been made to exclude those Business auxiliary services that amounts to manufacture of excisable goods, Activities resulting in manufacture of excisable goods – Not Taxable Activities resulting in manufacture of Non-excisable goods – Taxable.
Stockbroker Services	The definition of this service includes Sub – broker,	The earlier definition is now amended to exclude “sub-broker” from its ambit, Hence, sub –brokers are not liable for service tax.
Information Technology Software	The definition includes “acquiring the right to use” information technology software is taxable,	The earlier definition is now amended to “Providing the right to use” the information technology software” is taxable, This is amended with retrospective effect from 16.05.2008.
Transport of goods in containers by rail services.	Service tax on goods transported by government railways was excluded.	Service tax on goods transported by Government railways is now included in the Finance Act, 2009.

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