

SERVICE TAX

Service tax is a part of Central Excise in India. It is a tax levied on services provided in India

Service provided in India

Service provided out of India

Taxable in India

100% exempt from service tax.

Set off can be taken:
Service tax on service provided i.e. collected service tax
Less (-) Service tax on service received i.e. paid service tax

Difference

If positive

If negative

Then Difference amount paid to government

Then Difference amount are available for carry forward.

But TDS needs to be deducted on invoice amount and paid to central government

For Ex. Service tax collected on sale of service is Rs 100 and paid on input service 60 then difference 40 payable to government and in vice versa case 40 rupees available for carry forward.