Changes in Service Tax WEF 1.10.2014

- **E PAYMENT**
  Mandatory E-payment for every assessee;

- **CHANGE IN INTEREST RATE**
  OLD :- @18% P.A.

  NOW, INTEREST WILL BE CHARGED BASED ON DELAY IN TIME
  DELAY FOR FIRST SIX MONTH @ 18%
  DELAY UPTO 1YEAR, @ 18% FOR FIRST SIX MONTH & @ 24% BALANCE PERIOD
  DELAY MORE THAN ONE YEAR, @ 18% FOR FIRST SIX MONTH & @ 24% FOR NEXT SIX MONTH & @ 30% FOR PERIOD BEYOND ONE YEAR.

- PLACE OF PROVISION OF SERVICE RULE-2012

  CHANGES IN RULE 4 :- Provision for prescribing conditions for determination of place of provision of repair service carried out on temporarily imported goods is being omitted.

  CHANGES IN RULE 9 :- The definition of intermediary is being amended to include the intermediary of goods in its scope Service consisting of hiring of Vessels (excluding yachts) and Aircraft is being excluded from rule 9(d)

- **CENVAT CREDIT OF INPUT SERVICE**
  Renting of motor cab is allowed to a Rent a Cab Service provider subject to Notification 08/2014-ST.
  Tour Operator Service is allowed to a Tour Operator taking the benefit subject to 08/2014-ST.

- **REDUCTION IN %**
  Taxable portion in respect of transport of goods by vessel is being reduced from 50% to 40%.

- **SUBSTITUTE WORDS**
  The word ‘motor cab’ will be substituted for the word ‘motor vehicle. For Renting of any motor vehicle designed to carry Passengers.

- **POINT OF TAXATION**
  Point of Taxation in respect of reverse charge will be the payment date or the first day that occurs immediately. after a period of three months from the date of invoice, whichever is earlier.

- **ST APPLICABLE ON RADIO TAXI**
  Service Tax is applicable on Radio Taxi (the abatement presently available to rent-a-cab service would also be made available to radio taxi service.

- **ST ON ADVERTISEMENTS**
  Advertisements in internet websites, out-of-home media, on film screen in theatres, bill boards, conveyances, buildings, cell phones, Automated Teller Machines, tickets, commercial publications, aerial advertising, etc. (sale of space for advertisements in newspapers, book other than business directories/yellow pages/trade catalogues would continue to be non-taxable) are leviable to Service Tax

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