Service Tax Payment Due Date

			electronically paid
1	For Companies	On Monthly Basis	By the **6th** of the following month
2	Individuals or Proprietary Concerns and Partnership Firm	On Quarterly Basis	by the **6th** of the month immediately following the respective quarter

Note:-

payment for the last quarter/Month is required to be made by **31st of March** itself.

In case the assesse wants to use any mode other than Internet banking , a specific permission may be taken from the Assistant commissioner / Deputy Commissioner.

INTEREST

#	in case of delayed payments (after due date) the assessee is required to pay simple interest at the rate prescribed	For first 6 months of delay	**18%**	18%
		More than 6 months and up to one year.	**24%**	18% for the first 6 months of delay; 24% for delay beyond 6 months
		More than 1 year	**30%**	18% for the first 6 months of delay; 24 percent for period beyond 6 months upto 1 year; 30% for any delay beyond 1 year.
#	In case of small service providers whose value of ***taxable service*** does **not exceed Rs.60 lacs** during the last financial year		**15%**	

Service Tax Official website http://www.servicetax.gov.in/ *BY CA Neelam Maheshwari*

E-filing http://www.aces.gov.in/

Service Tax Return

Every assessee		half yearly return i.e. April to September & October to March	form S.T.3	by the **25th** of the month following a particular half year
	*	1st April - 30th sep		25th Oct
	*	1st Oct - 31st March		25th April

Notes

1 An assessee may submit a **revised return**, in Form ST-3, in triplicate, to correct a mistake or omission, within a period of ninety days from the date of submission of the return under rule 7. (Rule 7B of Service Tax Rules, 1994)

2 **E-Payment** of Service Tax has been made **Mandatory** with effect from 1st October, 2014.

3 Due Date for return filing for ***INPUT SERVICE DISTRIBUTOR***

FOR THE HALF YEAR	TO BE FILED BY
1st April - 30th sep	30th Oct.
1st oct - 31st March	30th April

Point of Taxation

RULE 3

1	If invoice is issued within 30 days from the date of completion of provision os service.	POT	Date of Invoice Date of payment	Whichever is earlier
2	If invoice is ***not*** issued within 30 days from the date of completion of provision os service.	POT	Date of completion/Provision of service Date of Payment	Whichever is earlier

Sr. No.	**Situation**	**Date of completion of service**	**Invoice Issued On**	**Payment Made On**	**POINT OF TAXATION**
1	Invoice issued within 30 days and before receipt of payment	1st july	20th july	19tht july	19th july (date of invoice or date of payment; whichever is earlier)
2	Invoice issued within 30 days but payment received before invoice	1st july	22nd july	15th july	15th july (date of invoice or date of payment; whichever is earlier)
3	Invoice not issued within 30 days and payment received after completion of service	1st july	5th Aug	20th july	1st july (date of completion of service or date of payment; whichever is earlier)
4	Invoice not issued within 30 days. Part payment before completion, remaining later.	1st july	2nd Aug	May 25th (part), and 15th july remaining	May 25th (part), and July 1st for remaining amount.

POT in case of *Reverse charge*

*For invoices issued After 1/oct/2014 _**(Rule 7)***

1	If the payment made within 6 months of date of nvoice	*POT*	Date on which payment is made
2	If the payment is not made within 6 months of date of nvoice	*POT*	Date of Invoice (Rule 3)

Note :-

Union budget 2014-15

* Payment date or

* first day that occurs immediately after a period of 3 months from the date of invoice

POT → Which ever is EARLIER.

Example :-

Sr. No.	**Situation**	**Invoice Issued On**	**Payment Made On**	**POT as per existing Rule**	**POT as per new Rule**
1	Payment made within 6 mnths but beyond 3 mnths of date of invoice	5th May	10th Oct	10th oct (date of payment)	7th August (date immediately after period of 3 mnths from date of invoice)
2	Payment made after 6 mnths of date of invoice	5 th May	12th Nov	5th May (date of invoice as payment made after 6 mnths)	7th August (date immediately after period of 3 mnths from date of invoice)

3	Payment made within 3 mnths of date ofinvoice	5th May	2nd Aug	2nd Aug (date of payment)	2nd Aug (date of payment)

For invoices issued Before 1/oct/2014 **(Rule 10)**

*	Invoices issued before 1/10/14	But Payment not made as on the said day	
1	Payment made within a period of 6 months of date of invoice	*POT*	Be the date on which payment is made.
2	Payment not made within a period of 6 months of date of invoice	*POT*	date of invoice

Example :-

Sr. No.	**Situation**	**Invoice Issued On**	**Payment Made On**	**POINT OF TAXATION**
1	Payment made within 6 mnths	25th Sep	10th Oct	25th Sep (date of payment, as payment made within 6 mnths.) Rule 10
2	Payment not made within a period of 6 mnths of date of invoice	25th april	30th Oct	25th april (date of invoice, as payment not made within 6 mnths) Rule 10
3	Payment made within 3 mnths of date of invoice	2nd oct	2nd Nov	2nd Oct (date of payment, as the same is made within 3 mnths) amended Rule 7 [Rule 10 applies only if invoices issued before 1/10/2014.]

.

Where Taxable Service has been provided ***before*** the change in effective rate of tax

Situation	**Invoice issued on**	**Payment made on**	**Point of Taxation**
Taxable Service provided **before** change in effective rate of tax	**After** the change in effective rate of tax	**After** the change in effective rate of tax	Date of Payment or Date of Invoice whichever is earlier [Rule 4(a)(i)]
	Before the change in effective rate of tax	**After** the change in effective rate of tax	Date of Invoice [Rule 4(a)(ii)]
	After the change in effective rate of tax	**Before** the change in effective rate of tax	Date of Payment [Rule 4(a)(iii)]

Where Taxable Service has been provided ***after*** the change in effective rate of tax

Situation	**Invoice issued on**	**Payment made on**	**Point of Taxation**
Taxable Service provided **AFTER** change in effective rate of tax	**Before** the change in effective rate of tax	**After** the change in effective rate of tax	Date of Payment [Rule 4(b)(i)]
	Before the change in effective rate of tax	**Before** the change in effective rate of tax	Date of Payment or Date of Invoice whichever is earlier [Rule 4(b)(ii)]
	After the change in effective rate of tax	**Before** the change in effective rate of tax	Date of Invoice [Rule 4(b)(iii)]

Service Tax Forms

Sr. No.	Form	Liability	When & by whom	Time Period
1	ST-1	Service Tax Registration	At the time of Starting of business	Within 30 days from the date of **starting of business** or reaching Rs. **9 lacs taxable Turnover** or commencement of new levy.
2	ST-2	Service Tax Registration Certificate	To be issued bt ST Dept.	Within 7 days from the date of application.
3	ST-3	Service Tax Return	Half yearly	25th October & 25th April.
4	ST-4	Appeal to Commissioner of Central Excise (Appeals)	Assessee	Within 2 months from the date of receipt of order.
5	ST-5	Appeal to CESTAT	Assessee	Within 3 months from the date of receipt of order.
6	ST-6	Cross Objections	Assessee/Dept.	Within 45 days from the date of receipt of notice.
7	ST-7	Appeal to CESTAT	Dept.	Within 4 months from the date of receipt of order.

PENALTIES UNDER SERVICE TAX

Sr. No.	Section	Nature of Default	Amount of Penalty	Remarks	
1	**70**	Fees for late filing of Return		-	
		Delay upto 15 days	500/-	However, in case of a return where gross amount of service tax payable is nil, the Central Excise officer may reduce or waive the penalty on being satisfied that there is sufficient reason for not filing the return.	
		Delay of more than 15 and upto 30 days	1000/-		
		Delay of more than 30 days	1000/- plus 100/- for each day (from 31st day) but not exceeding Rs. 20000		
2	**76**	Failure to pay service tax	Higher of, 1% of the TAX p.m. or Rs 100 per day limited to 50% of Tax payable.	Totally mitigated if service tax & interest paid before issue of Show Cause notice (SCN).	No penalties u/s 76 and 77 can be imposed if the assessee proves dat there was reasonable cause for any such failure or contravention.
3	**77**	**(1)(a)** Penalty for default in obtaining service Tax Registration	upto Rs. 10000	-	
		(1)(b) Failure to keep, maintain or retain records, books of accounts or documents as required.	upto Rs. 10000	-	
		(1)(c) Failure to furnish information, to produce documents called for by Central Excise Officer or to appear before the Central Excise Officer	Rs. 200 per day during which failure continues upto a maximum of Rs. 10000/-	-	
		(1)(d) Failure to pay tax electronically	upto Rs. 10000	-	
		(1)(e) Failure to issue correct invoice with complete details and account for the invoice in his books of accounts	upto Rs. 10000	-	
	77	**(2)** For contravention of any other provisions of the Act where no separate penalty is provided.	not exceeding 10000/-	-	
4	**78**	Penalty for suppressing value of taxable service	100% of Tax Amt not paid or short paid. (if not recorded in books)	No Mitigatoin.	
			50% of Tax Amt not paid or short pad. (if True and complete details are available)	Mitigatoin (a) 1% p.m.; Maximum upto 25% if all dues paid before SCN. (b) 25% of tax, if all dues (ST, Interest & such Penalty) paid within 30days of issuance of SCN. { 90 days for small Assessees}	
	NOTE :-	if penalty is payable u/s 78, then no penalty can be imposed u/s 76.			
5	**78A**	Penalty on director, Manager, Secretary or any other officer of a company for specified contravention	upto Rs. 100000.	Penalty can be imposed if such director or officer was in charge of and responsible to the company for the conduct of business of the company at the time of contravention and had the knowledge of such contravention.	

* Evasion of ST
* issuance of invoice, bill or challan without provision of taxable services
* Availment and utilisation of cenvat credit widout actual receipt of inputs or input services.
* Failure to pay any amount collected as service tax for a period of more than six months from due date of such payment.

Reverse Charge Mechanism

Sr. No.	Service Provided	% of ST payable by Service provider	% of ST payable by Service Receiver	Applicability	
				Service Provider	Service Receiver
1	By Insurance Agent to Insurance Company	-	100%	Insurance Agent	Insurance Company
2	By Goods Transport Agency (Road)	-	100%	GTA	Registered factory, registered society, excise dealer, body corporate, partnership firm, AOP
3	Sponsorship Services	-	100%	Any Person	Body corporate (including LLP) or partnership firm
4	Support service by Government to Business entity (Excluding renting & those services specified in Sec 66D (a)(i), (ii) & (iii))	-	100%	Government	Any business entity
5	Legal services by an Individual Advocate or Arbitral Tribunal	-	100%	Advocate/ Advocate Firm/Arbitral Tribuna	Any business entity having turnover more than Rs.10 lacs in preceding financial year.
6	Services by Director to a company (other than ee-er Relationship)	-	100%	Non-employee Director	Company
7	Hiring of motor vehicle for passengers (a) With abatement (a) Without abatement	- 50%	100% 50%	Non-body corporate (Individual/ HUF/ Firm/ AOP/ BOI/ Trust/ Society.	Body Corporate Not applicable where person receiving service is providing similar service
8	Manpower supply/ Security services	25%	75%	Non-body corporate (Individual/ HUF/ Firm/	Body Corporate
9	Works Contract	50%	50%	Non-body corporate (Individual/ HUF/ Firm/	Body Corporate
10	By any person located in a non-taxable territory to a person located in the taxable territory	-	100%	Any person located in a non-taxable territory	Any person located in a taxable territory

Abatements

Sr. No.	Name Of the Service	Abatement	Taxable	Effective Rate	Remarks	
1	Renting Of Hotel, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes.	40%	60%	7.416%	CENVAT Credit on inputs & capital goods has not been taken.	
2	Service of Goods Transport Agency in relation to transportatoin of goods.	75%	25%	3.090%	CENVAT Credit on inputs, capital goods & input Services has not been taken.	
3	**i) Construction** for High End Residential unit having carpet area of 2000 sq. ft. or more **AND** where the amount charged is Rs. 1 crore or more.	70%	30%	3.708%	CENVAT Credit on inputs used for providing the Taxable Service has not been taken.	To Avail Abatement, value of land must be included in the amount charged.
	ii) Construction of other than High End Residential Unit.	75%	25%	3.090%	do	
4	Service Portion in the execution of **Works Contract**					
	a) Original works	60%	40%	4.944%	do	
	b) Maintenance or Repair or reconditioning or restoration or servicing of any goods	30%	70%	8.652%	do	
	c) Other work contracts including maintenance, repair, completion and finishing services such as glazing, plastering, floor and wall tiling, installation or electrical fittings of an immovable property (***W.E.F. 01/10/2014***)	30%	70%	8.652%	do	
5	Service Portion in an activity wherein food or any drink is :-				Cenvat credit of input services and capital goods is available.CENVAT Credit on any goods classified under chapters 1 to 22 (food article) of CETA has not been taken. CC on other inputs is available.	
	a) Supplied at a Restaurant	60%	40%	4.944%		
	b) Supplied in Outdoor Catering	40%	60%	7.416%		
	c) Supplied + Renting of Premises (hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organizing a function [BUNDLED SERVICE]	30%	70%	8.652%		
6	**a)** Transport of goods by rail service	70%	30%	3.708%	-	
	b) Transport of passenger by rail	70%	30%	3.708%	-	
	c) Transport of passenger by air	60%	40%	4.944%	CENVAT Credit on inputs & capital goods has not been taken.	
	d) Transport of goods in vessel	50%	50%	6.180%	-	
7	Financial lease service Including Hire Purchase	90%	10%	1.236%	-	
8	**Tour operator Service**					
	a) Accommodation booking	90%	10%	1.236%	CENVAT Credit on inputs & capital goods has not been taken.	The bill issued for this purpose indicates that it is inclusive of charges for such a tour.
	b) A package tour	75%	25%	3.090%	CENVAT Credit on inputs & capital goods has not been taken.	The invoice, bill or challan issued indicates that it is towards the charges for such accommodation.
	c) Other tours	60%	40%	4.944%	CENVAT Credit on inputs & capital goods has not been taken.	The bill issued indicates that the amount charged in the bill is the gross amount charged for such a tour.
9	Chit fund services	30%	70%	8.652%		
10	Renting of motor vehicle designed to carry passengers including CAB	60%	40%	4.944%		

CA Neelam Maheshwari