Hi,

Payment of service tax on works contract under composition Scheme:

Rule 2A(ii) Service tax Determination of value) Rules 20016: Under composition scheme service tax payable at specified percentage of “Total amount” i.e ,total value of value of contract. So in this case :

1. ABC Ltd is opted the composition scheme as per rule 2A(ii) Service tax Determination of value) Rules 20016
2. ABC Ltd levied 15 % on 30 %(i.s specified percentage) of Total amount.
3. So RCM will not applicable (need to verify HUF/Individual/Firm)
4. Cenvat credit (i.e, Service tax input) is not available
5. ABC Ltd Invoice should be only Gross amount (i.e No separate amounts for goods & Services)

Particulars	Amount
Total Value for contract	100
VAT 14.5% on 75% of Total Value of contract	11
Service tax@14.5% on 30% of Total Value of contract	4.35
Total Value for contract	115.35

Requirements :

1. ABC LTD should disclose Service tax Registration number on face of the Invoice
2. Service tax should be bifurcated i.e service tax@14%, SBC@.05% & KKC@05%