

INDIRECT TAXES UPDATE -22

SERVICE TAX

Frequency Norms of Audit for Service Tax Assesseees

Service Tax Audit Manual, 2010 has been published by the Director General of Audit, New Delhi. As per the Manual, the frequency of audit for the service taxpayers would be as per following norms:-

S. No.	Service Tax Payment (Cash + CENVAT)	Frequency of Audit
i.	Exceeding Rs.3 crores	every year
ii.	Between Rs.1 crore and Rs.3 crore	once in every two years
iii.	Between Rs.25 lakh and Rs.1 crore	once in every five years
iv.	Up to Rs. 25 lakh	2% of taxpayers to be audited every year

The CBEC has clarified that the non – monetary taxpayers would be selected on the basis of assessment of the risk potential to revenue. The taxpayers whose returns are selected for detailed scrutiny, may not be taken up for Audit that year and the taxpayers who have been selected for Audit, may not be taken up for detailed scrutiny of their ST-3 Returns during that year.

[Source : http://www.servicetax.gov.in/audit_freqcy_norms.htm]

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Feedback

The Indirect Taxes Update is an endeavour of the Indirect Taxes Committee to apprise the readers about the amendments made in various central indirect tax laws vide significant notifications, circulars etc. We welcome your feedback on the Update and its contents.

Please email idthc@icai.org for feedback.

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