

INDIRECT TAXES UPDATE - 66

SERVICE TAX

Exemption to transport of goods by the Government railways extended till March, 2012

Service tax levy on transport of goods by the Government railways and transport of goods by rail otherwise than in containers has been further postponed by three months. Now the levy would be applicable from April, 2012 instead of January, 2012 which was proposed earlier. Consequently, exemption for transport of notified goods like defence military equipments, railways equipment /materials, postal mail bags by rail and abatement of 70% of the gross amount charged for transport of goods by the Government railways and transport of goods by rail otherwise than in containers would also be effective from April, 2012.

[Notification No. 49-51/2011 ST dated 30.12.2011]

Refund of service tax to exporters through the Indian Customs EDI System (ICES) - Schedule of Rates and application form for claiming the refund notified

A simplified scheme for electronic refunds of service tax to exporters vide has been introduced by the CBEC vide *Circular No. 149/18/2011-ST dated 16.12.2011* on the lines of duty drawback. In the new scheme, exporters will have to either opt for electronic refund through ICES system, which is based on the 'schedule of rates' or go for refund on the basis of documents, by approaching the Central Excise/Service Tax formations.

Notification No. 52/2011 ST dated 30.12.2011 has been issued to provide for the conditions and the procedure of granting such refund. The Notification also sets out the 'Schedule of Rates' for goods of a class or description. An exporter will calculate the refund of service tax paid on the specified services by applying the rate specified for the goods exported by him, in the Schedule, as a percentage of the FOB value of the said goods.

The old procedure for grant of refund prescribed vide *Notification 17/2009-ST dated 07.07.2009* has been dispensed with. *Notification No. 52/2011* has superseded *Notification No. 17/2009*.

[Notification No. 52/2011 ST dated 30.12.2011]

Source: www.cbec.gov.in

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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 jdtc@icai.org for feedback.

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