

INDIRECT TAXES UPDATE - 72

SERVICE TAX

Negative list of services and other related amendments made by the Finance Act, 2012 to be effective from July 1, 2012

The Finance Act, 2012 seeks to insert provisos in sections 65, 65A, 66 and 66A of the Finance Act, 1994 from a date to be notified by the Central Government. *Notification No. 18/2012 ST dated 01.06.2012* has notified June 1, 2012 as the date when the provisos would be inserted in the sections mentioned above. The provisos lay down that the provisions of the said sections will cease to apply with effect from a date to be notified by the Central Government.

Subsequently, *Notifications 20-23/2012 ST dated 05.06.2012* have been issued to notify July 1, 2012 as the date when the provisions of sections 65 (definitions), 65A (classification of services), 66 (charging section) and 66A (import of services) will cease to apply.

Simultaneously, *Notification No. 19/2012 ST dated 05.06.2012* has also been issued to specify that following would be effective from July 1, 2012:

Sl No.	Clause of the FA, 2012	Sections of the Finance Act, 1994 covered in the Clause of the FA, 2012	Description
(i)	(C)	65B	Interpretations
(ii)	(F)	66B 66C 66D 66E 66F	Charge of service tax on and after Finance Act, 2012 Determination of place of provision of service Negative list of services Declared services Principles of interpretation of specified descriptions of services or bundled services

Further, the following amendments will also be effective from July 1, 2012:

- (i) Omission of definition of money from the explanation to section 67;
- (ii) Amendment in section 68 seeking to put onus of payment of service tax on reverse charge basis partly on service provider and partly on service receiver .

[Notification No. 18/2012 ST dated 01.06.2012 & 19-22/2012 ST dated 05.06.2012]

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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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