

SERVICE TAX

Amendment to Mega Exemption Notification – Slaughtering exempted for all services

Mega exemption *Notification No. 25/2012 ST dated 20.06.2012* has been amended to extend the exemption from service tax to slaughtering of all animals. Earlier, the slaughtering of only bovine animals was exempted from service tax.

[Notification No. 44/2012-ST dated 07.08.2012]

Service tax to be paid under reverse charge in case of services provided by a director and security services

Notification No. 30/2012 ST dated 20.06.2012 specifying the services in respect of which service tax is to be paid under reverse charge has been amended to include the following services within its ambit:

- a) Services provided by a director of a company to the said company and
- b) Security services

Whole of the service tax will have to be paid by the company receiving the services of director while in case of security services, 75% of service tax will be paid by the service receiver and 25% will be paid by the service provider.

Consequential amendments have been made in rule 2(1)(d) of the Service Tax Rules, 1994 which defines person liable for paying service tax. Item (EE) has been inserted in clause (d)(i) to provide that in relation to services provided by a director of a company to the said company, the person liable for paying service tax will be the recipient of such service. In case of security services, the person liable for paying service tax will be both the service provider and service receiver to the extent provided vide *Notification No. 45/2012-ST dated 07.08.2012*.

Further, “security services” has been defined by inserting clause (fa) in rule 2(1) as services relating to the security of any property, whether movable or immovable, or of any person, in any manner and includes the services of investigation, detection or verification, of any fact or activity.

[Notification No. 45 & 46 2012 ST dated 07.08.2012]

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