

SERVICE TAX

ST-3 for the half year ended September 2012 to cover only the period between April - June, 2012

As per rule 7 of the Service Tax Rules, 1994, every assessee has to submit a half yearly return by the 25th of the month following the particular half-year.

However, a proviso has been inserted in Rule 7(2) to provide that the return in 'ST - 3' to be submitted by 25th October, 2012 (for the half year ended September 2012) would cover the period between 1st April to 30th June, 2012 only. Implementation of negative list w.e.f July 1, 2012 seems to have necessitated such an amendment.

[Notification No.47/2012 ST dated 28.09.2012]

AC rail travel and rail freight chargeable to service tax @3.7% from October 1, 2012

Rail travel, with or without accompanied belongings, in a first class or an air conditioned had been exempted from service tax till 30th September, 2012 vide *Notification No. 43/2012 ST dated 02.07.2012*. Similarly, services by way of transportation of goods by railways were also exempted till September 30, 2012 vide the said notification.

With effect from October 1, 2012, the above services have become liable to service tax @ 12.36%. However, an abatement of 70% has been granted to such services vide *Notification No. 26/2012 ST dated 20.06.2012*. Therefore, the effective rate of service tax for such services would be 3.7%.

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 idthc@icai.org for feedback.

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