

INDIRECT TAXES UPDATE - 95

SERVICE TAX

Amendment in service tax on construction , complex services

CBEC has amended *Notification No. 26/2012- ST dated 20.06.2012* with a view to remove the ambiguity prevailing on the rate of abatement of service tax on construction of residential unit.

Notification No. 09/2013- ST dated 08.05.2013 has amended the rate of abatement in the case of construction of a complex, building, civil structure or a part thereof in the following manner:

(a) Service tax has to be paid on **25%** value of a **residential unit** if the following two conditions are fulfilled cumulatively :

(i) the carpet area of the unit is **less than 2000 square feet**; and

(ii) the amount charged for the unit is **less than rupees one crore**;

(b) In **other cases**, service tax will be paid on **30%** of the value of a complex, building, civil structure.

The abatement is subject to the following conditions :

(i) CENVAT credit on inputs used for providing the taxable service has not been taken under the provisions of the CENVAT Credit Rules, 2004;

(ii) The value of land is included in the amount charged from the service receiver.

[Notification No. 09/2013 ST dated 08.05.2013]

Source: www.cbec.gov.in

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Feedback

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