

SERVICE TAX

Service tax - CBEC amends Notification 25/2012 to clarify expression

“Governmental Authority”

The Central Government, being satisfied that it is necessary in the public interest so to do, has made amendments in the notification No.25/2012-Service Tax, dated the 20th June, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide G.S.R. 467 (E), dated the 20th June, 2012.

CBEC has issued a **Notification No. 2/2014 - ST., Dated: January 30, 2014**, to clarify

the term “Governmental Authority”

It has been clarified that, governmental authority” means an authority or a board or any other body;

(i) set up by an Act of Parliament or a State Legislature; or

(ii) established by Government, with 90% or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution;’

This amendment has expanded the definition of “Governmental Authority” and widens the exemption base for service tax to be provided even to an authority or a board or any other body, set up by an Act of Parliament or a State Legislature without a condition of established with 90% or more participation by way of equity or control by Government.

[Notification No. 2/2014 - ST., Dated: January 30, 2014]

Source: www.cbec.gov.in

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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.

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