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Indirect Tax Alert

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Change in rate of Service Tax

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Change in rate of Service Tax

Pursuant to the enactment of Finance Bill 2015, the Ministry of Finance has notified that the new rate of Service Tax rate @ 14% will be applicable with effect from 1 June 2015.

Education Cess @ 2% and Secondary and Higher Secondary Education Cess @ 1% on Service tax has also been subsumed in the revised rate of 14%.

Corresponding change in effective rate of Service Tax has also been made applicable from 1 June 2015 in respect of specified services being money changing, air travel agent, insurance service and lottery distributor and selling agent services, where service tax is allowed to be paid at alternative rates.

Rule 6 (3) of CENVAT Credit Rules, 2004 has been amended to provide for reversal of CENVAT Credit @ 7% of value of exempted services; However, in case of exempted goods, the reversal is retained @ 6%.

Source: Notification No. 14/2015-ST dated 19 May 2015; Notification No. 15/2015-ST dated 19 May 2015; Notification No. 14/2015-CE (NT) dated 19 May 2015

Upcoming Dbriefs - Register

Global Mobility in India: Latest Trends in Tax, Social Security, and Immigration for Mobile Employees and Employers

Thursday, 21 May, 11:30 AM – 12:30 PM IST

For foreign businesses trying to enter the India market or for Indian businesses trying to gain prospects overseas, an important component will be the mobility of employees moving into and out of India. What are the tax, social security, and immigration issues impacting businesses that have mobile employees coming to or leaving India to work? Stay up to date with the latest trends in global mobility with a focus in India. For more information, visit the [Dbriefs](#) page.



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