



# SERVICE TAX

New rate of service tax of 14% shall come into effect from 01.06.2015. Also education cess & secondary higher education cess has been removed with effect from 01.06.2015.

New Abated Rates of Service Tax are as follows.

| SR. NO. | TAXABLE SERVICES                    | TAXABLE VALUE | EFFECTIVE SERVICE TAX RATE |
|---------|-------------------------------------|---------------|----------------------------|
| 1.      | Restaurant Service                  | 40%           | 5.60%                      |
| 2.      | Out Door Catering                   | 60%           | 8.40%                      |
| 3.      | Convention Centre [Bundled Service] | 70%           | 9.80%                      |

|     |   |   |      |        |
|-----|---|---|------|--------|
| 4.  | Accommodation Service                           |   | 60%  | 8.40%  |
| 5.  | Construction service                            | For a residential unit satisfying both the following conditions, namely:-<br>(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; | 25%  | 3.50%  |
|     |   | In all other cases  | 30%  | 4.20%  |
| 6.  | Transport of goods by rail service              |   | 30%  | 4.20%  |
| 7.  | Transport of passenger by rail                  |   | 30%  | 4.20%  |
| 8.  | Good transport agency services                  | Earlier rate taxable value is 25%   | 30%  | 4.20%  |
| 9.  | Transport of goods in vessel                    |   | 30%  | 4.20%  |
| 10. | Transport of passenger by air                   | Economy Class   | 40%  | 5.60%  |
|     |   | Other than Economy  | 60%  | 8.40%  |
| 11. | Financial lease service Including Hire Purchase |   | 10%  | 1.40%  |
| 12. | Tour Operator Service                           | Accommodation booking   | 10%  | 1.40%  |
|     |   | A package tour  | 25%  | 3.50%  |
|     |   | Other tours   | 40%  | 5.60%  |
| 13. | Chit Funds                                      | No Abatement Now  | 100% | 14.00% |
| 14. | Renting of Motor Cab                            |   | 40%  | 5.60%  |

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