



Service tax is a type of indirect tax, which is pertinent towards the services which are taxable. This levy got into effect because the Central Government looked for a straightforward option that is certainly clear naturally and can create revenue for the country in an easy manner. It was published in India in 1994 based on Chapter V of the Finance Act, 1994.

Service Tax in India

Over the past decades, service tax may be imposed on different services. Its features are not similar to VAT, which is imposed on commodities and merchandises.

It is levied on different types of services which are offered by finance institutions like currency markets, banks, transaction providers, colleges, and telecom providers.

Banks were the first to impose service tax on the customers. From the time with their commencement, they generally expressed service costs by means of processing charges. The duty of collecting the levy is entrusted while using Central Board of Excise and Customs (CBEC), that's an authority underneath the Ministry of Finance. This authority devises the tax system in India.

For the rationale of imposing it, the cost of any taxable service should be the gross amount fixed with the vendor for that service given by him.

Rate of Service Tax

In India, service tax first got into existence with effect from July 1, 1994. Every service provider in India, in addition to those involved with your Jammu and Kashmir, has got to pay this levy. At the outset, just three services were grouped under its net. The rate was 5% at this point. Slowly, more services were brought under the whole world of this duty. The rate spent my youth from 5% to 8% with effect from May 14, 2003. The rate was again hiked to 10% from 8% on September 10, 2004. In addition to this, 2% education cess on the service tax amount seemed to be initiated. In the Union Budget of Government of India for fiscal 2006-2007, the service tax rate was upped from 10% to 12%. On February 24, 2009, with the intent behind offering reprieve on the business and commerce sector staggering within the brunt of economic slump, the rate came down from 12 per cent to 10 per cent.

Currently, the obligation is payable @10% in the "gross amount" charged through the service provider for offering this kind of taxable service. The education cess is payable @2%, and better and secondary education cess is payable @1% from the amount due.

Due date for paying Service Tax

For proprietary firms, individuals, and partnership firms, it has to be paid on the quarterly basis (4 times a year). The deadline day for payment could be the 5th from the month instantly subsequent to the particular quarter. April to June, July to September, October to December, and January to March are the four quarters. Nonetheless, payment for that final quarter that's January to March needs to be carried out by March 31st itself. For any other types of service

providers than mentioned above, it should be paid every month, through the 5th with the the following month. Nonetheless, payment for March must be done by March 31st itself. Service tax must be paid on the sum collected/obtained from the assessee throughout the applicable period (1 / 4 or a month as appropriate).

The exclusive part of Service Tax is attachment to gathering of tax, mostly via unpaid observance. The scheme of self-assessment of ST Returns by service tax assesseees was published with effect from April 01, 2001. The jurisdictional Superintendent of Central Excise has the strength to cross look into the accuracy of self-assessed returns. These returns are likely to be submitted after every few months. Central Excise officials are empowered to handle inspections to obtain the probable assesseees under the tax net.

What will be the forms for submitting service tax?

The following forms can be used submission:

ST - 1: Application form for registration under Section 69 from the Finance Act, 1994

ST - 2: Certificate of registration under Section 69 of The Finance Act, 1994 (32 of 1994)



ST - 3: Return under Section 70 with the Finance Act, 1994

ST - 3A: Memorandum for provisional deposit under rule 6 from the Service Tax Rules, 1994

ST - 4: Form of Appeal on the Commissioner of Central Excise (Appeals)

ST - 5: Form of Appeal to Appellate Tribunal under section 86 from the Finance Act, 1994

ST - 6: Form of the memorandum of cross-objections on the Appellate Tribunal under section 86 of Finance Act, 1994

ST - 7: Form of application to Appellate Tribunal under Section 86(2) [or Sec.86(2A) of the Finance Act, 1994

G.A.R. 7: G.A.R. Proforma for Service Tax payments (For payments from April 2007 onwards)

AAR (ST-I): Application for Advance Ruling

ASTR - 1: Application for filing an incident of discount of cess and service tax paid on taxable services exported

ASTR - 2: Application for filing an insurance claim of discount of levy paid on garbage, cess and service tax paid on input services

Application

Proforma for Application for approval to submit ST-3 Return online

Form - A

Application for reimbursement of CENVAT credit under Rule 5 with the CENVAT Credit Rules, 2004

Constitutional and official stipulations behind the imposition of Service Tax in India

Constitutional legitimacy

Article 265 with the Constitution points too no tax should be imposed or received besides by the power of law. Schedule VII splits this theme into three classes-

- a) Union list (only Central or Union Government has the authority of enacting laws)
- b) State list (only State Government has the authority of enacting laws)
- c) Coexisting list (both Central and State Government have the authority to enact laws).

Registration for submitting Service Tax

An individual person legally responsible to cover service tax has got to submit an application for registration within 1 month (a month) through the date which the service tax on specific taxable service becomes effectual or within thirty days from your beginning of his business. All suppliers of the taxable service must obtain registration by completing the Form ST-1 in photocopy using the authoritative Central Excise Office.

A "registered" service provider is denoted just as one "assessee".

One registration is adequate even if an assessee is offering well over one taxable service.

Nevertheless, he should list each of the services offered by him inside the registration application along with the field office could make appropriate notes/approvals inside registration certificate.