

SERVICE TAX

BUDGET ANALYSIS 2016-17

NEW NOTIFICATION / CIRCULAR ISSUED UNDER SERVICE TAX

Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
65B clause 11 Interpretations	On assent of the President	(11) "approved vocational education course" means,— (i) a course run by an industrial training institute or an industrial training center affiliated to the National Council for Vocational Training offering courses in designated trades notified under the Apprentices Act, 1961; or (ii) a Modular Employable Skill Course, approved by the National Council of Vocational Training, or State Council for Vocational Training] run by a person registered with the Directorate General of Employment and Training, Union Ministry of Labour and Employment;	Omitted	It has been deleted from Negative list and considered in exemption Notification which may be or may not be withdrawn any time without waiting for amendment in Finance Act.
65B clause 44 in Explanation 2 in sub clause(ii) for item (a) Interpretations	On assent of the President	by a lottery distributor or selling agent, in relation to promotion, marketing, organizing, selling of lottery or facilitating in organizing lottery of any kind, in any other manner, in accordance with the provisions of the Lotteries (Regulation) Act, 1998;"	by a lottery distributor or selling agent on behalf of the State Government, in relation to promotion, marketing, organizing, selling of lottery or facilitating in organizing lottery of any kind, in any other manner, in accordance with the provisions of	Activity carried out by Lottery distributor or selling Agent of state Government is leviable to service tax

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			the Lotteries (Regulation) Act, 1998	
66D (i) Negative List of Services	1 st June 2015	betting, gambling and lottery (Explanation: For the purpose of this clause, the expression “betting, gambling and lottery” shall not include any activity specified in explanation 2 to clause (44) of section 65B)	Omitted	Under reverse charge and hence Omitted
66D (o) Negative List of Services	1st June 2016	service of transportation of passengers, with or without accompanied belongings, by - (i) a stage carriage; (ii) railways in a class other than - (A) first class; or (B) an air-conditioned coach; (iii) metro, monorail or tramway; (iv) inland waterways; (v) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and (vi) metered cabs or auto rickshaws;	Omitted	It has been deleted from Negative list and considered in exemption Notification which may be or may not be withdrawn any time without waiting for amendment in Finance Act. Public Transportation Services are being taxed since it has been omitted from Negative List of Services. Accordingly exemptions/abements have been introduced
66D (p) Negative List of Services	1st June 2016	services by way of transportation of goods - (i) by road except the services of - (A) a goods transportation agency; or (B) a courier agency;	Omitted	It has been deleted from Negative list and considered in exemption Notification which may be or may not be withdrawn any

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		(ii) by an aircraft or a vessel from a place outside India to the first customs station of clearance in India; or (iii) by inland waterways;		time without waiting for amendment in Finance Act. Services towards Transportation of Goods even Goods Transport operator is now subject to Service Tax. Accordingly exemptions/abatements have been introduced
Section 66 E (j)- Insertion Declared Service	On assent of the President	-	“(j) assignment by the Government of the right to use the radio-frequency spectrum and subsequent Transfers thereof.”	Right to use Spectrum Services are subject to Service Tax earlier anomaly on taxability. Decision in the case of Karnataka High Court in the matter of Bharti Airtel Vs. State of Karnataka(2012(25)514 STR) has been accepted
Section 67A- Insertion Date of determination of rate of Tax, value of taxable service and rate of exchange	On assent of the President	-	“(2) The time or the point in time with respect to the rate of service tax shall be such as may be prescribed	Section 67A is proposed to be amended to obtain specific rule making power in respect of point of taxation Rule. Similarly point of taxation rule is also amended accordingly.

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				Earlier the time of rate of service Tax was when the taxable services has been provided or agreed to be provided whereas, now it will be as prescribed.
Section 73 Recovery of Service Tax	On assent of the President	Where any Service Tax has not been levied or paid or short levied or short paid or erroneously refunded, the Central excise officer may within eighteen months from the relevant date, serve notice...	(i) in sub-sections (1), (1A), (2A) and (3), for the words “eighteen months”, wherever they occur, the words “thirty months” shall be substituted; (ii) in sub-section (4B), in clause (a), for the words “whose limitation is specified as eighteen months in”, the words “falling under” shall be substituted.	Period of Limitation for Serving notice u/s 73 has been enhanced from 18 months to 30 months in department’s favour.
Section 75- Substitution Interest on delayed payment of Service Tax	On assent of the President	[Provided that in the case of a service provider, whose value of taxable services provided in a financial year does not exceed sixty lakh rupees during any of the financial years covered by the notice or during the last preceding financial year, as the case may be, such rate of interest, shall be reduced by three percent per annum	Substitution “Provided that in the case of a person who collects any amount as service tax but fails to pay the amount so collected to the credit of the Central Government, on or before the date on which such payment is due, the Central Government may, by notification in the Official Gazette, specify such other rate of interest, as it may deem necessary	Any person who collects Service Tax and fails to deposit with the Central Government will pay interest @ 24% instead of 15% as amended in this budget.

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Section 78A Penalty for Offences by Directors, etc of Company	On assent of the President	-	“Explanation.— For the removal of doubts, it is hereby clarified that where any service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded, and the proceedings with respect to a notice issued under sub-section (1) of section 73 or the proviso to sub-section (1) of section 73 is concluded in accordance with the provisions of clause (i) of the first proviso to section 76 or clause (i) of the second proviso to section 78, as the case may be, the proceedings pending against any person under this section shall also be deemed to have been concluded.”.	It is welcome step i.e. Directors responsible to discharge service tax liability will not be liable to pay any service tax liability of service tax alongwith interest and 25% of penalty is paid within 30 days.
Section 89 Offences and Penalty	On assent of the President	(i) in the case of an offence specified in clauses (a), (b) or (c) where the amount exceeds fifty lakh rupees, with imprisonment for a term which may extend to three years (ii) in the case of the offence specified in clause (d), where the amount exceeds fifty lakh rupees, with imprisonment for a term which may extend to seven years:	for the words “fifty lakh rupees”, at both the places where they occur, the words “two hundred lakh rupees” shall be substituted	It is welcome step unnecessarily threat of imprisonment will be avoided. Imprisonment for a term which may exceed to three years for offences such as availment of Cenvat credit without receipt of taxable service,

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		Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the court, such imprisonment shall not be for a term of less than six months		maintaining false books of Accounts, collects Service Tax but fails to pay to the Government has been enhanced to 200 lakhs from 50 lakhs.
Section 90 (2) Cognizance of offences	On assent of the President	Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences, except the offences specified in sub-section (1), shall be non-cognizable and bailable	Omitted	Since amount has been raised from 50 lakhs to 2 crore this provision becomes redundant and hence omitted.
Section 91 Power to arrest	On assent of the President	(1) If the Commissioner of Central Excise has reason to believe that any person has committed an offence specified in clause (i) or clause (ii) of sub-section (1) of section 89, he may, by general or special order, authorise any officer of Central Excise, not below the rank of Superintendent of Central Excise, to arrest such person. (3) In the case of a non-cognizable and bailable offence, the Assistant Commissioner, or the Deputy Commissioner, as the case may be, shall, for the purpose of releasing an arrested person on bail or otherwise, have the	(a) in sub-section (1), the words, brackets and letter "clause (i) or" shall be omitted; (b) Sub-section (3) shall be omitted.	Existing, Cognizable offence is only when the amount exceeds 50 lakhs, whereas Power to Arrest was also for below 50 lakhs. By this amendment anomaly has been removed and now Power to Arrest will be only in case of amount exceeding 200 lakhs in the case of tax collected but not paid.

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		same powers and be subject to the same provisions as an office in charge of a police station has, and is subject to, under section 436 of the Code of Criminal Procedure, 1973		
Section 93A Power to grant rebate	On assent of the President	Where any goods or services are exported, the Central Government may grant rebate of service tax paid on taxable services which are used as input services for the manufacturing or processing 4“or removal or export of such goods” or for providing any taxable services and such rebate shall be subject to such extent and manner as may be prescribe	for the word “prescribed”, the words “prescribed or specified by notification in the Official Gazette” shall be substituted	Amendment has been made so as to enable to allow rebate by way Notification as well Rules.
Section 101- Insertion Special provision for exemption in certain cases relating to construction , erection, commissioning,etc of Canal, Dams or other irrigation works	On assent of the President	-	“101. (1) Notwithstanding anything contained in section 66B, no service tax shall be levied or collected during the period commencing from the 1st day of July, 2012 and ending with the 29th day of January, 2014 (both days inclusive) in respect of taxable services provided to 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 the	Retrospective exemptions for services relating to construction , erection, commissioning,etc of Canal, Dams or other irrigation works for a specified period of 1st July 2012 to 29th January 2014,along with Refund procedure in case if Service tax paid.

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			<p>Government, with ninety per cent. or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution, by way of construction, erection, Commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of canal, dam or other irrigation works.</p> <p>(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had subsection (1) been in force at all material times.</p> <p>(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President, been paid before that date, subject to the condition that Ministry of Civil Aviation or, as the case may be, the Ministry of Shipping in the Government of India</p>	

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			<p>certifies that the contract had been entered into before the 1st day of March, 2015.</p> <p>(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had subsection (1) been in force at all material times.</p> <p>(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President.”.</p>	
Section 102- Insertion Special provision for exemption in certain cases relating to construction of Government Buildings.	On assent of the President		102. (1) Notwithstanding anything contained in section 66B, no service tax shall be levied or collected during the period commencing from the 1st day of April, 2015 and ending with the 29th day of February, 2016 (both days inclusive), in respect of taxable services provided to the Government,	Retrospective amendment for exemption of services relating to construction of Government buildings for a period 1st April 2015 to 29th Feb 2016 and its refund process in case if paid.

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			<p>a local authority or a Governmental authority, by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of—</p> <p>(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry or any other business or profession;</p> <p>(b) a structure meant predominantly for use as—</p> <p>(i) an educational establishment;</p> <p>(ii) a clinical establishment; or</p> <p>(iii) an art or cultural establishment;</p> <p>(c) a residential complex predominantly meant for self-use or for the use of their employees or other persons specified in Explanation 1 to clause (44) of section 65B of the said Act, under a contract entered into before the 1st day of March, 2015 and on which appropriate stamp duty, where applicable, had been paid before that date.</p>	

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			<p>(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had sub-section (1) been in force at all the material times.</p> <p>(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President.</p>	
Section 103- Insertion Special provision for exemption in certain cases relating to construction of Airport or Port	On assent of the President		103. (1) Notwithstanding anything contained in section 66B, no service tax shall be levied or collected during the period commencing from the 1st day of April, 2015 and ending with the 29th day of February, 2016 (both days inclusive), in respect of services provided by way of construction, erection, commissioning or installation of original works pertaining to an airport or port, under a contract which had been entered into before the 1st day	Retrospective amendment for exemption of services relating to construction of Airport or Port for a period 1st April 2015 to 29th Feb 2016 and its refund process in case if paid.

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			<p>of March, 2015 and on which appropriate stamp duty, where applicable, had been paid before that date, subject to the condition that Ministry of Civil Aviation or, as the case may be, the Ministry of Shipping in the Government of India certifies that the contract had been entered into before the 1st day of March, 2015.</p> <p>(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had subsection (1) been in force at all material times.</p> <p>(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President.”</p>	
Section 93A Rebate by way of refund of Service Tax	On assent of the President	1. Amendment in notification No. 41/2012-ST dated the 29th June, 2012 so as to allow refund of service tax on	(1) The notification of the Government of India in the Ministry of Finance (Department	The said is being given the Retrospective effect from 1st July

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		<p>services used beyond the factory or any other place or premises of production or manufacture of the said goods for the export of the said goods and to increase the refund amount commensurate to the increased service tax, published in the Gazette of India, Extraordinary, vide number G.S.R. 519(E), dated the 29th June, 2012.</p>	<p>of Revenue) number G.S.R. 519(E), dated the 29th June, 2012 issued under section 93A of the Finance Act, 1994 granting rebate of service tax paid on the taxable services which are received by an exporter of goods and used for export of goods, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Tenth Schedule, on and from and up to the corresponding dates specified in column (3) of the Schedule, and accordingly, any action taken or anything done or purported to have taken or done under the said notification as so amended, shall be deemed to be, and always to have been, for all purposes, as validly and effectively taken or done as if the said notification as amended by this sub-section had been in force at all material times. (2) Rebate of all such service tax shall be granted which has been</p>	<p>2012. Hence Rebate by way of refund will be allowed on all cases of Export beyond Factory or any other Place of Production or Manufacture.</p>

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			denied, but which would not have been so denied had the amendment made by sub-section (1) been in force at all material times. (3) Notwithstanding anything contained in the Finance Act, 1994, an application for the claim of rebate of service tax under sub-section (2) shall be made within the period of one month from the date of commencement of the Finance Act, 2016.	
Krishi Kalyan Cess	1st June 2016	-	Krishi Kalyan Cess @ 0.5% on the value of all taxable services. This cess shall be in addition to any cess or service tax leviable on such taxable services.	Krishi Kalyan cess introduced for financing and promoting initiatives to improve agriculture.

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8/2016 (Abatement)	1/04/2016	NA	Abatement @ 70% will be allowed on transport of goods by Indian rail subject to non availment of Cenvat credit on input and capital goods	Cenvat Credit on Input Services can be availed
8/2016 (Abatement)	1/04/2016	NA	Abatement @ 60% will be allowed for transport of goods in containers by rail by any person other than Indian Railways subject to non-availment of cenvat credit on input and capital goods	Reduced abatement of 60% is prescribed for transport of goods in containers by rail by persons other than Indian Railways. Cenvat Credit on Input Services can be availed
8/2016 (Abatement Notification)	1/04/2016	CENVAT credit on inputs, capital goods and input services, used for providing the taxable services, has not been taken under the provisions of the CENVAT Credit Rules, 2004..	“CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.”.	Cenvat Credit on Input Services can be availed. Service providers of transport of passengers with or without accompanied.
8/2016 (Abatement Notification)	1/04/2016	NA	Abatement @ 60% will be allowed for services of goods transport agency in relation to transportation of used household goods subject to non-availment of cenvat credit.	Earlier, transport of household goods was clubbed with GTA. Now a separate entry has been provided. Additional abatement of 10% has been given for transporting of household goods by GTA. Subject to non availment of

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				Cenvat Credit.
8/2016 (Abatement Notification)	1/04/2016	NA	Abatement @ 30% will be allowed for services provided by a foreman of chit fund in relation to chit fund subject to non-availment of cenvat credit.	New entry.
8/2016 (Abatement Notification)	1/04/2016	NA	Abatement @ 40% will be allowed for transport of passengers, with or without accompanied belonging by a stage carrier will be allowed subject to non-availment of cenvat credit.	Stage carriers (AC) will be entitled for abatement scheme to the extent of 40%.
8/2016 (Abatement Notification)	1/04/2016	CENVAT credit on inputs, capital goods and input services, used for providing the taxable services, has not been taken under the provisions of the CENVAT Credit Rules, 2004..	“CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.”.	Service providers of transport of goods in vessels will be entitled for credit of input services even after claiming abatement scheme as notified in the notification.
8/2016 (Abatement Notification)	1/04/2016	A package tour was entitled for 75% abatement subject to non-availment of cenvat	Service provided by tour operator other than services solely of arranging or booking accommodation for any person will be entitled for 70% abatement	The abatement for package tour has been reduced from 75% to 70%. Also, for other services, the abatement is increased from 60% to 70%.
8/2016 (Abatement Notification)	1/04/2016	Two rates of abatement have been prescribed for services of construction of complex, building,	Construction of a complex, building, civil structure or a part thereof, intended for a sale to a	A uniform abatement at the rate of 70% is now being prescribed for services of construction of

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		civil structure, or a part thereof,- ➤ 75% of the amount charged in case of a residential unit having carpet area of less than 2000 square feet and costing less than Rs 1 crore, and ➤ 70% of the amount charged in case of other than (a) above	buyer, wholly or partly except where entire consideration is received after issuance of completion certificate by the competent authority will be entitled for 70% of abatement subject to non-availment of cenvat credit and addition of value of land in the amount charged from the service receiver.	complex, building, civil structure, or a part thereof, subject to fulfilment of the existing conditions.
8/2016 (Abatement Notification)	1/04/2016	NA	<u>Rent-cab Service</u> For the purposes of exemption at Serial number 9, the amount charged shall be the sum total of the amount charged for the service including the fair market value of all goods (including fuel) and services supplied by the recipient(s) in or in relation to the service, whether or not supplied under the same contract or any other contract: Provided that the fair market value of goods and services so supplied may be determined in accordance with the generally accepted accounting principles."	Explanation has been added for value of renting of motor cab services. The explanation provides that fair market value of all goods (including that of fuel) supplied by service recipient to be added in the gross value.

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9/2016 Exemption Notification (Mega – 25/2012)	1/04/2016	“(b) an individual as an advocate or a partnership firm of advocates by way of legal services to- (i) an advocate or partnership firm of advocates providing legal services; (ii) any person other than a business entity; or (iii) a business entity with a turnover up to rupees ten lakhs in the preceding financial year; or (c) a person represented on an arbitral tribunal to an arbitral tribunal.	“(b) a partnership firm of advocates or an individual as an advocate other than a senior advocate, by way of legal services to- (i) an advocate or partnership firm of advocates providing legal services; (ii) any person other than a business entity; or (iii) a business entity with a turnover up to rupees ten lakh in the preceding financial year; or (c) a senior advocate by way of legal services to a person other than a person ordinarily carrying out any activity relating to industry, commerce or any other business or profession;”	Exemption in respect of the following services is being withdrawn,- - Services provided by a senior advocate to an advocate or partnership firm of advocates, and - A person represented on an arbitral tribunal to an arbitral tribunal
9/2016 Exemption Notification (Mega – 25/2012)	1/03/2016	NA	9B. Services provided by the Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by way of the following educational programmes, except Executive Development Programme, - (a) two year full time residential	Services provided by the Indian Institutes of Management (IIM) by way of 2 year full time Post Graduate Programme in Management (PGPM) (other than executive development programme), admissions to which are made through Common Admission Test

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			Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT), conducted by Indian Institute of Management; (b) fellow programme in Management; (c) five year integrated programme in Management.”;	conducted by IIMs, 5 year Integrated Programme in Management and Fellowship Programme in Management are being exempted from service tax.
9/2016 (Mega Exemption Notification 25/2012) –	1/03/2016	NA	“9C. services of assessing bodies empanelled centrally by Directorate General of Training, Ministry of Skill Development and Entrepreneurship by way of assessments under Skill Development Initiative (SDI) Scheme;	Services of assessing bodies empanelled centrally by Directorate General of Training, Ministry of Skill Development & Entrepreneurship are being exempted from service tax
9/2016 (Mega Exemption Notification 25/2012) –	1/03/2016	NA	9D. services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana under the Ministry of Rural Development by way of offering skill or vocational training courses certified by	Services provided by way of skill/vocational training by Deen Dayal Upadhyay Grameen Kaushalya Yojana training partners are being exempted from service tax.

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			National Council For Vocational Training.	
9/2016 Exemption Notification 25/2012)	(Mega – 1/03/2016	NA	<p>Exemption from Service Tax on services provided to the Government, a local authority or a governmental authority by way of construction, erection, etc. of -</p> <p>i. a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;</p> <p>ii. a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment;</p> <p>iii. a residential complex predominantly meant for self-use or the use of their employees or other persons specified in the Explanation 1 to clause 44 of section 65B of the said Act;</p> <p>under a contract which had been entered into prior to the 1st March, 2015 and on which</p>	The said exemption was withdrawn with effect from 1.4.2015. The same is being restored for the services provided under a contract which had been entered into prior to 01.03.2015 and on which appropriate stamp duty, where applicable, had been paid prior to that date. The exemption is being restored till 31.03.2020.

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			<p>appropriate stamp duty, where applicable, had been paid prior to such date:</p> <p>provided that nothing contained in this entry shall apply on or after the 1st April, 2020</p>	
<p>9/2016 (Mega Exemption Notification 25/2012)</p>	<p>1/03/2016 –</p>		<p>“(ba) a civil structure or any other original works pertaining to the „In-situ rehabilitation of existing slum dwellers using land as a resource through private participation “under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers.</p> <p>(bb) a civil structure or any other original works pertaining to the „Beneficiary-led individual house construction / enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;”;</p>	<p>Services by way of construction, erection etc. of a civil structure or any other original works pertaining to the “In-situ Rehabilitation of existing slum dwellers using land as a resource through private participation” component of Housing for All (HFA) (Urban) Mission / Pradhan Mantri Awas Yojana (PMAY), except in respect of such dwelling units of the projects which are not constructed for existing slum dwellers, is being exempted from service tax.</p> <p>Services by way of construction, erection etc., of a civil structure or any other original works pertaining to the “Beneficiary-</p>

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				led individual house construction / enhancement” component of Housing for All (HFA) (Urban) Mission/ Pradhan Mantri Awas Yojana (PMAY) is being exempted from service tax.
9/2016 (Mega Exemption Notification 25/2012) –	1/03/2016	Services by way of construction, erection, commissioning or installation of original works pertaining to, “(a) railways, including monorail and metro;	Services by way of construction, erection, commissioning or installation of original works pertaining to, “(a) railways, excluding monorail and metro; Explanation.-The services by way of construction, erection, commissioning or installation of original works pertaining to monorail or metro, where contracts were entered into before 1st March, 2016, on which appropriate stamp duty, was paid, shall remain exempt.	Exemption to construction, erection, commissioning or installation of original works pertaining to monorail or metro (under S. No 14 of the notification No. 25/12-ST) is being withdrawn, in respect of contracts entered into on or after 1 st March 2016.
9/2016 (Mega Exemption Notification 25/2012) –	1/03/2016		“(ca) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under:	Services by way of construction, erection, etc., of original works pertaining to low cost houses up to a carpet area of 60 sq.m per house in a housing project

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			(i) the “Affordable Housing in Partnership” component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana; (ii) any housing scheme of a State Government	approved by the competent authority under the “Affordable housing in partnership” component of PMAY or any housing scheme of a State Government are being exempted from service tax
9/2016 (Mega Exemption Notification 25/2012)	1/03/2016 –		14A. Services by way of construction, erection, commissioning, or installation of original works pertaining to an airport or port provided under a contract which had been entered into prior to 1st March, 2015 and on which appropriate stamp duty, where applicable, had been paid prior to such date: provided that Ministry of Civil Aviation or the Ministry of Shipping in the Government of India, as the case may be, certifies that the contract had been entered into before the 1st March, 2015: provided further that nothing contained in this entry shall apply on or after the 1st April, 2020	The said Exemption from Service Tax on services by way of construction, erection, etc. of original works pertaining to an airport, port was withdrawn with effect from 1.4.2015. The same is being restored for the services provided under a contract which had been entered into prior to 01.03.2015 and on which appropriate stamp duty, where applicable, had been paid prior to that date subject to production of certificate from the Ministry of Civil Aviation or Ministry of Shipping, as the case may be, that the contract had been entered into prior to 01.03.2015. The exemption is

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
				being restored till 31.03.2020.
9/2016 Exemption Notification 25/2012) (Mega –	1/04/2016	Consideration upto Rs One Lakh by way of services by an artist by way of a performance in folk or classical art forms of music or dance or theater are exempt from service tax.	Consideration upto Rs One Lakh and Fifty Thousand by way of services by an artist by way of a performance in folk or classical art forms of music or dance or theater are exempt from service tax.	Exemption limit for every performance for consideration charged for services provided by a performing artist in folk or classical art forms of music, dance or theatre, is being increased from Rs 1 lakh to Rs 1.5 lakh per performance
9/2016 Exemption Notification 25/2012) (Mega –	1/06/2016		Transport of passengers, with or without accompanied belongings by, A stage carriage other than air-conditioned stage carriage are exempted from service tax.	Service for non-air conditioned stage carriers are exempted from service tax
9/2016 Exemption Notification 25/2012) (Mega –	1/04/2016	NA	Services of General Insurance business provided under following scheme Niramaya“ Health Insurance Scheme implemented by Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple	Service tax exemption has been granted for services provided in Niramaya Health Insurance.

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
			Disabilities Act, 1999 (44 of 1999).	
9/2016 (Mega Exemption Notification 25/2012) –	1/04/2016	NA	Services of life insurance business provided by way of annuity under the National Pension System regulated by Pension Fund Regulatory and Development Authority of India (PFRDA) under the Pension Fund Regulatory And Development Authority Act, 2013 (23 of 2013)	The services of life insurance business provided by way of annuity under the National Pension System (NPS) regulated by Pension Fund Regulatory and Development Authority (PFRDA) of India is being exempted from service tax.
9/2016 (Mega Exemption Notification 25/2012) –	1/04/2016	NA	Services provided by Employees" Provident Fund Organisation (EPFO) to persons governed under the Employees" Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952)	Services provided by Employees" Provident Fund Organisation (EPFO) to employees are being exempted from service tax.
9/2016 (Mega Exemption Notification 25/2012) –	1/04/2016	NA	Services provided by Insurance Regulatory and Development Authority of India (IRDA) to insurers under the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999)	Services provided by Insurance Regulatory and Development Authority (IRDA) of India are being exempted from service tax.
9/2016 (Mega Exemption Notification 25/2012) –	1/04/2016	NA	Services provided by Securities and Exchange Board of India (SEBI) set up under the Securities and Exchange Board of India Act,	Services provided by Securities and Exchange Board of India (SEBI) set up under SEBI Act, 1992, by way of protecting the

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
			1992 (15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market	interests of investors in securities and to promote the development of, and to regulate, the securities market are being exempted from service tax.
9/2016 Exemption Notification 25/2012) (Mega –	1/04/2016	NA	Services provided by National Centre for Cold Chain Development under Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination;"	Services provided by National Centre for Cold Chain Development under Department of Agriculture, Cooperation and Farmer's Welfare, Government of India, by way of knowledge dissemination are being exempted from service tax
9/2016 Exemption Notification 25/2012) (Mega –	1/06/2016	NA	Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.";	Services by way of transportation of goods by an aircraft from a place outside India up to the customs station of clearance in India were in negative list of services [clause (p)(ii) of section 66D]. As this entry is proposed to be omitted through the Finance Bill 2016[para 4.1(C) above refers], the said service is being exempted by amending

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
				notification No.25/2012-ST
10/2016 (Amendment in POT Rule, 2011)	1/03/2016	NA	<p>Explanation inserted under Rule 5 of POT Rules, 2011</p> <p>Explanation 1.- This rule shall apply mutatis mutandis in case of new levy on services.</p> <p>Explanation 2.- New levy or tax shall be payable on all the cases other than specified above.</p>	In order to remove doubts regarding applicability of POTR to new levy, this explanation have been inserted in Rule 5 of POT Rules. This will be applicable Krishi Kalyan Cess which will be effective from 1 st June 2016.
11/2016 (Exemption Notification)	1/03/2016	NA	Service Tax exemption has been granted on Information Technology Software recorded on media on which RSP (MRP) is required to be mentioned.	In order to avoid duplication of levies i.e. Central excise and service tax, IT Software on which RSP is mentioned are exempted from service tax. These being goods will be subjected to central excise or custom duty as the case may be.
12/2016 (Amendment to exemption Notification 32/2012-Service Tax)	1/04/2016	NA	Services provided by bio-incubators recognized by the Biotechnology Industry Research Assistance Council, under Department of Biotechnology, Government of India	Service provided by Biotechnology Industry Research Assistance Council approved Biotechnology incubators to the incubatees will be exempted from service tax.
13/2016 (New Notification – Interest Provisions)	Assent to Finance Bill, 2016	Interest on delayed payment of service tax, ● Upto 6 months- 18%	Interest on delayed payment of service tax, ● Collection of any amount as	Irrational interest rate have been rationalized. This is most

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
		<ul style="list-style-type: none"> ● More than 6 months & upto 1 year- 18% for first 6 months, 24% thereafter ● More than 1 year- 18% for first 6 months, 24% for next 6 months and 30% thereafter 	<p>service tax but failing to pay the amount so collected to the credit of the Central Government on or before the date on which such payment becomes due- 24%</p> <ul style="list-style-type: none"> ● Any conditions other than above- 15% 	welcome step.
14/2016 (New Notification)	Assent to Finance Bill, 2016	Interest payable u/s 73B (Interest on amount collected in excess) is 18%	Interest payable u/s 73B (Interest on amount collected in excess) is 15%	Interest rate reduced from 18% to 15%.
15/2016 , 16/2016 & 17/2016 (Amendment related to removal of "support services" by Government)	1/04/2016	<p>Rule 2 (1)(d)(i)</p> <p>(E) in relation to services provided or agreed to be provided by Government or local authority except,-</p> <p>(a) renting of immovable property, and</p> <p>(b) services specified sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act,1994, to any business entity located in the taxable territory, the recipient of such service;</p>	<p>Rule 2 (1)(d)(i)</p> <p>(E) in relation to services provided or agreed to be provided by Government or local authority except,-</p> <p>(a) renting of immovable property, and</p> <p>(b) services specified sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act,1994, to any business entity located in the taxable territory, the recipient of such service;</p>	Finance Act, 1994 was amended vide Finance Act, 2015 so as to make any service (and not only support services) provided by Government or local authorities to business entities taxable from a date to be notified later. 1st April, 2016 has already been notified as the date from which any service provided by Government or local authorities to business entities shall be taxable. Consequently, 1st April, 2016 is also being notified as the date from which the definition of support services shall stand deleted from the Finance Act

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
				1994
18/2016 (Reverse Charge Notification 30/2012-Service Tax)	1/04/2016	(ic) provided or agreed to be provided by a selling or marketing agent of lottery tickets to a lottery distributor or selling agent.	(ic) provided or agreed to be provided by a selling or marketing agent of lottery tickets in relation to a lottery in any manner to a lottery distributor or selling agent of the State Government under the provisions of the Lottery (Regulations) Act, 1998 (17 of 1998)	More specific entry has been made
18/2016 (Reverse Charge Notification 30/2012-Service Tax)	1/04/2016	an individual advocate or a firm of advocates, by way of legal services, or	(B) a firm of advocates or an individual advocate other than senior advocate, by way of legal services, or	As senior advocates are liable to service tax, necessary amendment has been made in reverse charge notification. Now the business entities have to pay service tax on reverse charge basis on the services received from an individual advocate (other than senior advocate) or firm of advocates. It has to be ensured by business entity whether the services are availed from Senior advocates or otherwise. Senior Advocates means advocate designated senior

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
				advocate by SC / HC.
18/2016 (Reverse Charge Notification 30/2012-Service Tax)	1/04/2016		Sl. No. 1B and the entries relating thereto shall be omitted	In respect of service provided by mutual fund agent/ distributor to a mutual fund or asset management company will be out of the purview of reverse charge.
19/2016 (Amendment to Service Tax Rules)	1/04/2016	<p>Proviso to Rule 6, sub rule (1)</p> <p>assessee is an individual or partnership firm or partnership firm, the service tax shall be paid to the credit of the Central Government by the 6th day of the month if the duty is deposited electronically through internet banking, or, in any other case, the 5th day of the month, as the case may be, immediately following the quarter in which the service is deemed to be provided</p>	<p>Proviso to Rule 6, sub rule (1)</p> <p>assessee is a one person company whose aggregate value of taxable services provided from one or more premises is fifty lakh rupees or less in the previous financial year, or is an individual or proprietary firm or partnership firm or Hindu Undivided Family, the service tax shall be paid to the credit of the Central Government by the 6th day of the month if the duty is deposited electronically through internet banking, or, in any other case, the 5th day of the month, as the case may be, immediately following the quarter in which the service is deemed to be provided</p>	One person company having taxable service turnover 50 Lakhs or less and HUF will be entitled to pay service tax on quarterly basis.

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
19/2016 (Amendment to Service Tax Rules)	1/04/2016	Where an assessee is, for any reason, unable to correctly estimate, on the date of deposit, the actual amount payable for any particular month or quarter, as the case may be, he may make a request in writing to the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, giving reasons for payment of service tax on provisional basis and the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, on receipt of such request, may allow payment of service tax on provisional basis on such value of taxable service as may be specified by him and the provisions of the Central Excise (No.2) Rules, 2001 , relating to provisional assessment, except so far as they relate to execution of bond, shall, so far as may be, apply to such assessment.	Where an assessee is, for any reason, unable to correctly estimate, on the date of deposit, the actual amount payable for any particular month or quarter, as the case may be, he may make a request in writing to the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, giving reasons for payment of service tax on provisional basis and the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, on receipt of such request, may allow payment of service tax on provisional basis on such value of taxable service as may be specified by him and the provisions of the Central Excise Rules, 2002 , relating to provisional assessment, except so far as they relate to execution of bond, shall, so far as may be, apply to such assessment.	Technical amendment w.r.t Central Excise Rule reference has been made

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
19/2016 (Amendment to Service Tax Rules)	1/04/2016	NA	in sub-rule (7A), after clause (i), the following clause shall be inserted, namely:- “(ia) in case of single premium annuity policies other than (i) above, 1.4 per cent. of the single premium charged from the policy holder	The service tax liability on single premium annuity (insurance) policies is being rationalised and the effective alternate service tax rate (composition rate) is being prescribed at 1.4% (brought down from 3.5%) of the total premium charged, in cases where the amount allocated for investment or savings on behalf of policy holder is not intimated to the policy holder at the time of providing of service. Amendments are being made in rule 7A of Service Tax Rules, 1994 accordingly.
19/2016 (Amendment to Service Tax Rules)	1/04/2016	NA	“(3A) Notwithstanding anything contained in sub-rule (1), every assessee shall submit an annual return for the financial year to which the return relates, in such form and manner as may be specified in the notification in the Official Gazette by the Central Board of Excise and Customs, by the 30th day of November of the	New annual return has been specified for the service provider by 30 th November every year. The class of service provider will be exempted from this compliance. This is in line with ER-4 submitted by the central excise assesseees.

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Notification/Section	Amendment W.E.F.	Existing Provision	Amendment in Existing / New Provision	Analysis
			succeeding financial year; (3B) The Central Government may, subject to such conditions or limitations, specify by notification an assessee or class of assesses who may not be required to submit the annual return referred to in sub-rule(3A)	
19/2016 (Amendment to Service Tax Rules)	1/04/2016		(2) An assessee who has filed the annual return referred to in sub-rule (3A) of rule 7 by the due date may submit a revised return within a period of one month from the date of submission of the said annual return.	Annual return can be revised within one month from the date of submission.
19/2016 (Amendment to Service Tax Rules)	1/04/2016		“(2) Where the annual return referred to in sub-rule (3A) of rule 7 is filed by the assessee after the due date, the assessee shall pay to the credit of the Central Government, an amount calculated at the rate of one hundred rupees per day for the period of delay in filing of such return, subject to a maximum of twenty thousand rupees.	Penalty of 100Rs per day maximum upto 20,000/- has been proposed for delay filing of annual return.

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