

## **SERVICE TAX ABATEMENT RATE CHART FOR FY 2016-17 (APPLICABLE FROM 01.04.2016)**

<b>SL NO.</b>	<b>SERVICE PROVIDED</b>	<b>ABATEMENT RATE (%)</b>	<b>TAXABLE VALUE (%)</b>	<b>CONDITIONS</b>
1	Tour operator service - accommodation booking	90%	10%	No cenvat credit for input, input services or capital goods. Invoice includes amount of accommodation.
2	tour (other than above)	70%	30%	No cenvat credit for input, input services or capital goods.
3	Transport of goods by rail by person other than Indian railway	60%	40%	No cenvat credit for input, capital goods. cenvat credit on input services are available*
4	Financial lease service	90%	10%	nil
5	Transport of goods by rail service by Indian railway	70%	30%	cenvat credit of input services are available*
6	Transport of passenger by rail	70%	30%	cenvat credit of input services are available*
7	Transport of passenger by air	60%	40%	nil
8	Hotel service (club, pandal, shamiana) with supply of food	30%	70%	Cenvat credit of goods ( goods 1 to 22 classified under cenvat credit act, 1985 has not been taken)
9	Renting of immovable property (Hotel, guest house or residential house)	40%	60%	Cenvat credit for input and capital goods has not been taken

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10	Good transport agency services	70%	30%	Cenvat credit for input, input services and capital goods has not been taken
11	Chit fund services	30%	70%	Cenvat credit for input, input service and capital goods are not available
12	Renting of motor vehicle designed to carry passengers	60%	40%	Same as above
13	Transport of goods in vessel	60%	40%	Cenvat credit for input, capital goods are not available. Cenvat credit on input service is available*
14	Construction service For all cases availing composition scheme	70%	30%	Cenvat credit for input used for provision of service has not been taken and value of land is included in the amount charged
15	Transport of used household goods by GTA	60%	40%	Cenvat credit on input, input services and capital goods are not available.

### **SERVICE TAX RATE AND ABATEMENT AMENDMENT IN BUDGET 2016**

From **1st June 2016**, the effective rate of **service tax** would be **15%** (from the present level of 14.50% subsequent to introduction of **Krishi Kalyan Cess @ 0.50%** from 01.06.2016)