1. **The service-tax is not an amount paid or payable, or received or deemed to be received by the assessee for the services rendered by it. The assessee is only collecting the service-tax for passing it on to the government. Thus, for the purpose of computing the presumptive income of the assessee under Section 44BB, the service-tax collected by the assessee on the amount paid for rendering services is not to be included in the gross receipt in terms of Section 44BB(2) read with Section 44BB(1).** The Court accordingly holds that for the purposes of computing the 'presumptive income' of the assessee for the purposes of Section 44 BB of the Act, the service tax collected by the Assessee on the amount paid t it for rendering services is not to be included in the gross receipts in terms of Section 44 BB (2) read with Section 44 BB (1). The service tax is not an amount paid or payable, or received or deemed to be received by the Assessee for the services rendered by it. The Assessee is only collecting the service tax for passing it on to the government. 18. The Court further notes that the position has been made explicit by the CBDT itself in two of its circulars. In Circular No. 4/2008 dated 28th April 2008 it was clarified that "Service tax paid by the tenant doesn't partake the nature of "income" of the landlord. The landlord only acts as a collecting agency for Government for collection of Service Tax. Therefore, it has been decided that tax deduction at source) under sections 194-I of Income Tax Act would be required to be made on the amount of rent paid/payable without including the service tax.' In Circular No. 1/2014 dated 13th January 2014, it has been clarified that service tax is not to be included in the fees for professional services or technical services and no TDS is required to be made on the service tax component under Section 194J of the Act. **Director of Income tax-I *v.* Mitchell Drilling International (P.) Ltd. [2015] 62 taxmann.com 24 (Delhi).**
2. **Where assessee, a transporter, having received freight charges for transportation of goods, paid same at a lesser rate to truck owners resulting in profits, assessee, being a contractor, was required to deduct tax at source under section 194C while making payments to truck owners/sub-contractors.** he Assessing Officer has specifically noted on perusal of the books of account that assessee had debited as well as credited payments in the books of account under two accounts namely 'freight received' and 'freight paid' which shows that assessee accounted for freight received from his principal as well as payments to sub-contractors. The assessee, however, claimed that it has acted as a commission agent only. However, the claim of assessee was not proved through any reliable and cogent evidence. The books of account of the assessee itself falsify the claim of assessee that it has acted as commission agent only. The theory of commission agent propounded by the assessee was not proved through any evidence or material on record. The assessee also claimed that its principal has deducted tax on payment to the assessee, therefore, Assessing Officer was justified in holding that assessee should have similarly deducted tax at source under section 194C on payments to sub-contractors. **Northern Trailor Service *v.* Income-tax Officer [2015] 154 ITD 739 (Chandigarh-Trib)**