

Don't pay higher service tax of 14% as Finance Bill not yet passed: Revenue Secretary Shaktikanta Das

The Finance Ministry today asked people not to pay higher service tax of 14 per cent, proposed in the budget, as the Finance Bill has not yet been passed by Parliament.

Revenue Secretary Shaktikanta Das said customers should lodge a complaint with the local Chief Commissioner if any establishment asks for 14 per cent service tax.

"If anyone is charging 14 per cent service tax now before Finance Bill is passed, please report to local Chief Commissioner," he tweeted.

Finance Minister Arun Jaitley in his budget 2015-16 has proposed increasing the incidence of service tax from 12 per cent to 14 per cent.

The new levy, however, will apply from the date of notification to be issued by the Revenue Department after the passage of the Finance Bill by Parliament.

"The new service tax rate shall come into effect from a date to be notified by the central government after the enactment of the Finance Bill 2015," said a Finance Ministry memorandum.

The clarification by the Revenue Secretary comes in wake of complaints that some establishments especially restaurants have started charging higher service tax from their customers.

The Finance Bill will be taken up for consideration and passage in the second leg of the budget session beginning from Monday.

Das also tweeted that Goods and Services Tax (GST), which seeks to revamp the indirect tax regime, will be taken up on priority by Parliament in the remaining part of the budget session.

"Focus is on GST constitutional amendment. Government's priority in Parliament session starting on 20th April," he said in another tweet.

Jaitley too had earlier said that the government would accord priority to the Constitutional Amendment Bill on the GST. The government proposes to implement the GST, which will subsume levies like excise, service tax, sales tax and octroi from April 1, 2016.

(Economic Times)