

HC directive over plea for service tax exemption

The Madras High Court Bench here has directed the Union Finance Ministry to consider a representation made by a lawyer based here to exempt all kinds of private educational coaching institutes and life insurance companies from payment of service tax.

The court passed the order on a public interest litigation petition filed by R. Lakshmanan who claimed that it was unfair to impose service tax on parents who choose to send their children to private coaching classes due to State's failure to provide best education.

“Either the government must provide excellent coaching as it was done in countries such as the United States and United Kingdom or at least give service tax exemption by listing coaching institutes under the negative list of services as per Section 66D of the Finance Act, 1994,” he contended.

He also sought to exempt payments made towards life insurance premium from service tax net since people take life insurance policies solely for the benefit of their family members and other dependants and do not get to enjoy personally even a single rupee of the insurance amount during their lifetime.

The petitioner claimed that the Centre had included betting, gambling and lottery in the negative list of services and exempted them from service tax but had not provided similar exemption to private educational institutions that conduct tuitions and impart coaching for competitive examinations.

A lawyer had appealed to exempt private educational coaching institutes and life insurance firms from payment of service tax