



## ALERT

## Service Tax

- 1) Government of India have made Swachh Bharat Cess (S.B.Cess) applicable with effect from 15th November 2015.
- 2) Accordingly Government shall levy Swachh Bhart Cess (S.B.Cess) @ 0.50% of SERVICE VALUE, on all TAXABLE SERVICES vide notification no 22 of 2015. Hence effective Service tax rate would be 14.50% for all taxable services with effect from 15th November 2015.
- 3) In Case of Forward Service (Tax Service tax payable by Service Provider), Service tax applicability would be as under:

<b>In Case of Completion of Provision of Services on or before 14th November 2015</b>	<b>Effective Rate of Service Tax</b>
i) Invoice OR receipt of payment on or BEFORE 14th November 2015.	Service tax @ 14.00% (No S. B. Cess)
ii) Invoice AND receipt of payment on or AFTER 15th November 2015.	Service tax @ 14.50% (With S. B. Cess)
<b>In Case of Completion of Provision of Services on or after 15th November 2015</b>	<b>Effective Rate of Service Tax</b>
i) Invoice OR receipt of payment on or AFTER 15th November 2015.	Service tax @ 14.50% (With S. B. Cess)
i) Invoice AND receipt of payment on or BEFORE 14th November 2015.	Service tax @ 14.00% (No S. B. Cess)

- 4) In case of Reverse Service tax (Service tax payable by recipient of Service), Service tax applicability would be as under:

In Case payment of Service Charges (Paid within 3 months from the date of invoice) OR completion of 3 months from the date of invoice falling on or AFTER 15th November 2015.	Service tax @ 14.50% (With S. B. Cess)
In Case payment of Service Charge (Before 3 months from the date of invoice) OR completion of 3 months from the date of invoice falling on or BEFORE 14th November 2015	Service tax @ 14.00% (No S. B. Cess)

- 5) The said Swachh Bharat Cess is to be charged separately in the Invoice.
- 6) Government have not clarified about the eligibility of Cenvat Credit of Swachh Bharat Cess.

**MVDCO Advisory Services**  
7/2, Mahalaxmi Industrial Estate,  
Dainik Shivner Marg,  
Lower Parel, Mumbai – 400 013.  
Branch-Pune



For any queries email at [consult@mvdco.com](mailto:consult@mvdco.com)