**NOTIFICATION NO. 26/2012-ST**

**SECTION 66B OF THE FINANCE ACT, 1994 - CHARGE OF SERVICE TAX ON OR AFTER FINANCE ACT, 2012 - ABATEMENT NOTIFICATION**

**AS AMENDED AFTER FINANCE BILL 2016**

**AMENDEMENTS WEF 1st April, 2016**

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the said Act), and in supersession of notification number 13/2012- Service Tax, dated the 17th March, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (*i*) *vide* number G.S.R. 211(E), dated the 17th March, 2012, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service of the description specified in column (2) of the Table below, from so much of the service tax leviable thereon under section 66B of the said Act, as is in excess of the service tax calculated on a value which is equivalent to a percentage specified in the corresponding entry in column (3) of the said Table, of the amount charged by such service provider for providing the said taxable service, unless specified otherwise, subject to the relevant conditions specified in the corresponding entry in column (4) of the said Table, namely:—

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| *Sl. No.* | *Description of taxable service* | *Percentage* | *Conditions* |
| *(1)* | *(2)* | *(3)* | *(4)* |
| 1 | Services in relation to financial leasing including hire purchase | 10 | *Nil* |
| *2* | *Transport of goods by rail (other than service specified at Sl. No. 2A below)* | *30* | [*1*](javascript:void(0);)***[****CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.****]*** |
| *2A* | *Transport of goods in containers by rail by any person other than Indian Railways* | *40* | *CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.”;* |
| 3 | Transport of passengers, with or without accompanied belongings by rail | 30 | *“CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004* |
| 4 | Bundled service by way of supply of food or any other article of human consumption or any drink, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organizing a function) together with renting of such premises | 70 | (*i*) CENVAT credit on any goods classifiable under Chapters 1 to 22 of the Central Excise Tariff Act, 1985 (5 of 1986) used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004. |
| [1](javascript:void(0);) **[** *5* | *Transport of passengers by air, with or without accompanied belongings in* |  | *CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.* **]** |
| *(i) economy class* | *40* |
| *(ii) other than economy class* | *60* |
| 6 | Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes. | 60 | Same as above. |
| 7 | *Services of goods transport agency in relation to transportation of goods other than used household goods.* | [3](javascript:void(0);) **[** *30* **]** | CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken [4](javascript:void(0);)[by the service provider] under the provisions of the CENVAT Credit Rules, 2004. |
| *7A* | *Services of goods transport agency in relation to transportation of used household goods.* | *40* | *CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken by the service provider under the provisions of the CENVAT Credit Rules, 2004.* |
| *8* | *Services provided by a foreman of chit fund in relation to chit* | *70* | *CENVAT credit on inputs, capital goods and input services, used for providing the taxable service has not been taken under the provisions of the CENVAT Credit Rules, 2004.”;* |
| 9 | Renting of [6](javascript:void(0);)[motorcab] | 40 | [7](javascript:void(0);)[(*i*) CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004;  (*ii*) CENVAT credit on input service of renting of motorcab has been taken under the provisions of the CENVAT Credit Rules, 2004, in the following manner :   |  |  |  | | --- | --- | --- | | (*a*) |  | Full CENVAT credit of such input service received from a person who is paying service tax on forty per cent of the value; or | | (*b*) |  | (*b*) Up to forty per cent CENVAT credit of such input service received from a person who is paying service tax on full value; |   (*iii*) CENVAT credit on input services other than those specified in (*ii*) above, has not been taken under the provisions of the CENVAT Credit Rules, 2004.] |
| [1](javascript:void(0);)[[1a](javascript:void(0);)[9A | Transport of passengers, with or without accompanied belongings, by—  (*a*) a contract carriage other than motorcab.  (*b*) a radio taxi.  *(c) a stage carriage* | 40 | CENVAT credit on inputs, capital goods and input services, used for providing the tax-able service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.] |
| 10 | Transport of goods in a vessel | [2](javascript:void(0);) **[** *30* **]** | CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004. |
| 11 | Services by a tour operator in relation to,-  (i) a tour, only for the purpose of arranging or booking accommodation for any person | 10 | 1. CENVAT credit on inputs, capital goods and input services other than input services of a tour operator, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004. 2. The invoice, bill or challan issued indicates that it is towards the charges for such accommodation. 3. This exemption shall not apply in such cases where the invoice, bill or challan issued by the tour operator, in relation to a tour, includes only the service charges for arranging or booking accommodation for any person but does not include the cost of such accommodation. |
|  | (ii) tours other than (i) above | 30 | 1. CENVAT credit on inputs, capital goods and input services other than input services of a tour operator, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit 2. The bill issued for this purpose indicates that it is inclusive of charges for such a tour and the amount charged in the bill is the gross amount charged for such a tour.”; |
|  | (*iii*) any services other than specified at (*i*) and (*ii*) above. | 40 | (*i*) CENVAT credit on inputs, capital goods and input services [1](javascript:void(0);)[other than the input service of a tour operator], used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.  (*ii*) The bill issued indicates that the amount charged in the bill is the gross amount charged for such a tour. |
| [2](javascript:void(0);)[12. | Construction of a complex, building, civil structure or a part thereof, intended for a sale to a buyer, wholly or partly except where entire consideration is received after issuance of completion certificate by the competent authority. | 30 | 1. CENVAT credit on inputs used for providing the taxable service has not been taken under the provisions of the CENVAT Credit Rules, 2004. 2. The value of land is included in the amount charged from the service receiver.” |

A. For the purposes of exemption at Serial number 1*—*

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| (*i*) |  | The amount charged shall be an amount, forming or representing as interest, *i.e.,* the difference between the instalments paid towards repayment of the lease amount and the principal amount contained in such instalments; |
| (*ii*) |  | the exemption shall not apply to an amount, other than an amount forming or representing as interest, charged by the service provider such as lease management fee, processing fee, documentation charges and administrative fee, which shall be added to the amount calculated in terms of (*i*) above. |

B. For the purposes of exemption at Serial number 4*—*

The amount charged shall be the sum total of the gross amount charged and the fair market value of all goods and services supplied in or in relation to the supply of food or any other article of human consumption or any drink (whether or not intoxicating) and whether or not supplied under the same contract or any other contract, after deducting*—*

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| (*i*) |  | the amount charged for such goods or services supplied to the service provider, if any; and |
| (*ii*) |  | the value added tax or sales tax, if any, levied thereon: |

**Provided** that the fair market value of goods and services so supplied may be determined in accordance with the generally accepted accounting principles.

BA. For the purposes of exemption at Serial number 9, the amount charged shall be the sum total of the amount charged for the service including the fair market value of all goods (including fuel) and services supplied by the recipient(s) in or in relation to the service, whether or not supplied under the same contract or any other contract;

Provided that the fair market value of goods and services so supplied may be determined in accordance with the generally accepted accounting principles.”.

C. For the purposes of exemption at Serial number 12 —

The amount charged shall be the sum total of the amount charged for the service including the fair market value of all goods and services supplied by the recipient(s) in or in relation to the service, whether or not supplied under the same contract or any other contract, after deducting—

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| (*i*) |  | the amount charged for such goods or services supplied to the service provider, if any; and |
| (*ii*) |  | the value added tax or sales tax, if any, levied thereon: |
|  |  | **Provided** that the fair market value of goods and services so supplied may be determined in accordance with the generally accepted accounting principles. |

**2.** For the purposes of this notification, unless the context otherwise requires,*—*

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| *a.* |  | [1](javascript:void(0);) **[**\*\*\***]** |
| *c.* |  | "tour operator" means any person engaged in the business of planning, scheduling, organizing, arranging tours (which may include arrangements for accommodation, sightseeing or other similar services) by any mode of transport, and includes any person engaged in the business of operating tours. |

**3.** This notification shall come into force on the 1st day of July, 2012