CIRCULAR

Subject:  Applicability of Service Tax w.e.f. 01.06.2016.

Indian Government has introduced new levy on Service Tax in the form of Krishi Kalyan Cess (KKC) @ 0.50% of the Taxable Value of Services w.e.f. 01st June, 2016. Accordingly, all Invoices generated w.e.f. 01st June, 2016 shall be taxable @ 15.00%.

- **Service tax @ 14%** - We must avail CENVAT (input) credit.
- **Swachh Bharat Cess (SBC) @ 0.5%** - We can not avail CENVAT (input) credit. So we have to consider it into our cost.
- **Krishi Kalyan Cess (KKC) @ 0.5%** - We can not avail CENVAT (input) credit. So we have to consider it into our cost.
- **Krishi Kalyan Cess (KKC)** will be applicable on all invoices, whether it relates to Input or Output Services for which payments have not been received before June 1, 2016 even though the services were provided before June 1, 2016.

- **Now the rates of Service Tax will be as follows:-**

**On Input Services**
(a) In case of original work contract (Taxable value @ 40%)
   - ST @ 5.60%
   - SBC @ 0.20%
   - KKC @ 0.20%
   \{ Total @ 6.00% \}

(b) Works Contract other than (a) above (Taxable value @ 70%)
   - ST @ 9.80%
   - SBC @ 0.35%
   - KKC @ 0.35%
   \{ Total @ 10.50% \}

✓ **On Output Services**
(a) In case of Commercial Lease Money (Taxable value @ 100%)
   - ST @ 14.00%
   - SBC @ 0.50%
   - KKC @ 0.50%
   \{ Total @ 15.00% \}

(b) Receipts other than (a) above (Taxable value @ 30%)
   - ST @ 4.20%
   - SBC @ 0.15%
   - KKC @ 0.15%
   \{ Total @ 4.50% \}

Financial Advisor

Copy forwarded to the following for information and necessary action:-
1. Chief Engineer-I/II, RHB, Jaipur.
3. Dy. Housing Commissioner, RHB, Circle (All)
4. Sr. Accounts Officer (Payment), RHB, Jaipur.
5. Resident Engineer, RHB, Dn. (All).
6. JD (SA), RHB, Jaipur to please upload on e-mail of all concerned as well as on Software of Recovery of RHB.

Financial Advisor