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SECTION 3, SUB SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)

New Delhi, the 17th March, 2012

Notification No.3/2012 - Service Tax

G.S.R. (E)- In exercise of the powers conferred by sub-section (1) read with sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the Service Tax Rules, 1994, namely:—

1. (1) These rules may be called the Service Tax (Amendment) Rules, 2012.
(2) They shall come into force on the 1st day of April, 2012.
2. In the Service Tax Rules, 1994 (hereinafter referred to as the principal rules), in rule 2, —
 - (i) sub-clauses (cc) to (ccc) shall be renumbered as sub-clauses (ca), (cb) and (cc) respectively;
 - (ii) after sub-clause (cc) as so renumbered, the following sub-clause shall be inserted, namely:—

“(cd) “partnership firm” includes a limited liability partnership;”.
3. In rule 4A of the principal rules, in sub-rule (1),-
 - (i) for the words “fourteen days”, at both the places where they occur, the words “thirty days” shall be substituted;
 - (ii) after the third proviso, the following provisos shall be inserted, namely:-

“Provided also that in case the provider of taxable service is a banking company or a financial institution including a non-banking financial company, or any other body corporate or any other person, providing service to any person, in relation to banking and other financial services, the period within which the invoice, bill or challan, as the case may be is to be issued, shall be forty five days;”;
 - (iii) after the fifth proviso, the following proviso shall be inserted, namely:-

“Provided also that wherever the provider of taxable service receives an amount upto rupees one thousand in excess of the amount indicated in the invoice and the provider of taxable service has opted to determine the point of taxation based on the option as given in Point of Taxation Rules, 2011, no invoice is required to be issued to such extent.”.

4. In rule 6 of the principal rules,-

(1) in sub-rule (1),-

(i) in the second proviso, in the opening portion, for the words “ Provided also that” the words “ Provided further that” shall be substituted;

(ii) after the second proviso as so amended, the following provisos shall be inserted, namely :—

“Provided also that in case of taxable services covered under sub-rule (1) of rule 3 of the Export of Services Rules, 2005, this sub-rule shall not apply subject to the condition that the payment is received within the period specified by the Reserve Bank of India, including such extended period as may be allowed from time to time:

Provided also that in case of individuals and partnership firms whose aggregate value of taxable services provided from one or more premises is fifty lakh rupees or less in the previous financial year, the service provider shall have the option to pay tax on taxable services provided or to be provided by him up to a total of rupees fifty lakhs in the current financial year, by the dates specified in this sub-rule with respect to the month or quarter, as the case may be, in which payment is received.”,

(2) for sub-rule (4B), the following sub-rule shall be substituted, namely:-

“(4B) The adjustment of excess amount paid, under sub-rule (4A), shall be subject to the condition that the excess amount paid is on account of reasons not involving interpretation of law, taxability, classification, valuation or applicability of any exemption notification.”;

(3) in sub-rule (7A), for clause (ii), the following clause shall be substituted, namely:-

“(ii) in all other cases, 3 per cent. of the premium charged from policy holder in the first year and 1.5 per cent. of the premium charged from policy holder in the subsequent years;”;

(4) in sub-rule (7B),—

(a) in clause (a),—

(i) for the figures and words “0.1 per cent.”, the figures and words “0.12 per cent.” shall be substituted;

(ii) for the word and figures “rupees 25” the word and figures “ rupees 30” shall be substituted;

(b) in clause (b), for the figures and words “100 and 0.05 per cent.”, the figures and words “120 and 0.06 per cent.” shall be substituted;

(c) in clause (c), —

(i) for the figures and words “550 and 0.01 per cent.”, the figures and words “660 and 0.12 per cent.” shall be substituted;

(ii) for the figures “5000”, the figures “6000” shall be substituted;

(5) in sub rule (7C), —

(a) in the TABLE, in column (2), —

(i) against serial number 1, for the figures “6000”, the figures “7000” shall be substituted;

(ii) against serial number 2, for the figures “9000”, the figures “11000” shall be substituted.

[F.No. 334 /01/2012- TRU]



(Samar Nanda)

Under Secretary to the Government of India

Note: The principal notification was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* notification No. 2/94-ST, dated the 28th June, 1994 *vide* number G.S.R. 546(E), dated the 28th June, 1994 and was last amended by notification No. 48/2011-Service Tax, dated the 19th October, 2011 *vide* number G.S.R. 771 (E), dated the 19th October, 2011.