

Reverse charge Service tax rates for 2015-16 with changes from 01st June 2015

Table Showing Services covered Reverse Charge with % and type of person from 01.06.2015							
Sl. No.	Description of service provided	RCM w.e.f.	Service Provider (Effective Tax %)	Service Receiver/ Any Person (Effective Tax %)	Service Provider	Service Receiver	Refer Notes
1	Insurance Agency Service	13.11.2001	Nil	100% (14%)	Any Person	Insurance Company	
1A	Recovery Agent Service	11.07.2014	Nil	100% (14%)	Any Person	Banking Company, Financial Institution and NBFC	1
1B	Mutual Fund Agent or Distributor Services	01.04.2015	Nil	100% (14%)	Mutual Fund Agent or Distributor	Mutual Fund or Asset Management Company	2
1C	Services of Selling or Marketing Agent of Lottery Tickets	01.04.2015	Nil	100% (14%)	Selling or Marketing Agent	Lottery Distributor or Selling Agent	
2	Goods Transport Agency Service	01.01.2005	Nil	100% (4.20%)	Any Person	As mentioned in Note	3
3	Sponsorship Service	01.05.2006	Nil	100% (14%)	Any Person	Body Corporate or Partnership Firm	
4	Service of Arbitral Tribunal	01.07.2012	Nil	100% (14%)	Arbitral Tribunal	Business entity	4
5	Legal Services (Advocate)	01.07.2012	Nil	100% (14%)	Individual or Firm	Business entity	5
5A	Director Service	07.08.2012	Nil	100% (14%)	Individual	Company or Body Corporate	6
6	Government Support Services	01.07.2012	Nil	100% (14%)	Government /Local Authority	Business Entity	7
	Government Services	Yet to be notified	Nil	100% (14%)			
7	Renting of Passenger Vehicle After Abatement of 60%	01.07.2012	Nil	100% (5.60%)	Individual/ HUF/ Partnership firm AOP/ LLP	Business Entity registered as body corporate	8
	Renting of Passenger Vehicle without Abatement	01.10.2014	50% (7%)	50% (7%)			

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8	Supply of Manpower	01.07.2012	Nil	100% (14%)	Individual/ HUF/ Partnership firm AOP/ LLP	Business Entity registered as body corporate	Impact of change in reverse charge
8	Security Services	07.08.2012	Nil	100% (14%)			
9	Service portion on execution of Works Contract				Individual/ HUF/ Partnership firm AOP/ LLP	Business Entity registered as body corporate	
	a. Value of service excluding material (Taxable 100%)	01.07.2012	50% (7%)	50% (7%)			
	b. Original Work (Taxable 40%)	01.07.2012	50% (2.80%)	50% (2.80%)			
	c. Repairs and Maintenance of any goods (Taxable 70%)	01.07.2012	50% (4.9%)	50% (4.9%)			
	d. Maintenance, Repairing, Completion or Finishing of immovable property (Taxable value 70%)	01.07.2012	50% (4.9%)	50% (4.9%)			
10	Import of service	19.04.2006	Nil	100% (14%)	Any Person	Any Person	9
11	Services involving an Aggregator	01.03.2015	Nil	100% (14%)	Any Person	Any Person	10

1. The term 'Recovery Agent' has not been defined in the service tax laws. However, in trade and common parlance, 'recovery' refers to the action or process of regaining possession or control of something stolen or lost. Accordingly, "recovery agent" shall mean to be a person who has the power to recover bad (or poor) debts.

2. 'Mutual Fund Agent or Distributor Services' were taxable under RCM w.e.f. 01.04.2005 to 30.06.2012. The same had been exempted w.e.f 01.07.2012 vide Notification No.25/2012- ST dated 20.06.2012. The exemption is being withdrawn w.e.f 01.04.2015.

3. Person Liable: Any person who pays or is liable to pay freight either himself or through his agent if such person is:

- any factory registered under or governed by the Factories Act, 1948 (63 of 1948); or
- any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or
- any co-operative society established by or under any law; or

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d. any dealer of excisable goods, who is registered under the Central Excise Act, 1944 (1 of 1944) or the rules made there under; or
e. any body corporate established, by or under any law; or
f. any partnership firm whether registered or not under any law including association of persons.
However, if such person is located in a non-taxable territory, the provider of such service (i.e. GTA) shall be liable to pay service tax. Abatement : Prior to 31.03.2015, abatement / exemption available on GTA Services was 75%, which has been reduced to 70%w.e.f. 01.04.2015.
4. Services of an arbitral tribunal are exempted if service receiver is:
a. any person other than a business entity; or
b. a business entity with a turnover up to rupees ten lakh in the preceding financial year.
6. Services of Director of a 'Body Corporate' has been included in the purview of Director Services, w.e.f 11.07.2014. Service provided by a director incapacity of an employee of the Company or Body Corporate shall not be chargeable to service tax. Deduction of TDS under salary head can establish the same.
7. Presently RCM is applicable on all "Support Services" provided by Government or Local Authority except the following:
a. Renting of Immovable Property,
b. Services by Department of Post by way of Speed Post, Express Parcel Post, Life Insurance and Agency Services;
c. Services in relation to aircraft or a vessel, inside or out side the precincts of a port or an airport;
d. Transportation of goods or passengers.
Vide the Finance Bill 2015, it is proposed to extend to "Any Service" with effect from a date to be notified
8. No reverse charge is applicable, in case of similar line of business.
9. Where any taxable service is provided by a person located in non-taxable territory and as per the Place of Provision Rules 2012; Place of provision of the service is determined to be in the taxable territory, such service will be considered as Import of Service.
10. In relation to service provided or agreed to be provided by a person involving an aggregator in any manner, the person liable to pay tax is the aggregator of the service (or any person representing the aggregator for any purpose or designated if aggregator does not have a physical presence in the taxable territory).
"Aggregator" means a person, who owns and manages a web based software application, and by means of the application and a communication device, enables a potential customer to connect with persons providing service of a particular kind under the brand name or trade name of the aggregator.
'Small Service Provider' exemption of Rs. 10 lakh is not available to recipient of service.
Kindly refer Negative List and Exemption Notification No.25/2012 along with this chart to determine tax liability.