

## **SIGNIFICANT NOTIFICATIONS / CIRCULARS ISSUED DURING THE PERIOD 16<sup>TH</sup> FEBRUARY, 2013 TO 15<sup>TH</sup> MARCH, 2013**

### **A. SERVICE TAX**

#### **1. Due date for filing ST-3 Return for the period July- Sept, 2012 extended till 15<sup>th</sup> April, 2013**

As per rule 7 of the Service Tax Rules, 1994, every assessee has to submit a half yearly return by the 25<sup>th</sup> of the month following the particular half-year. However, a proviso has been inserted in Rule 7(2) to provide that return in 'ST - 3' for the period 01.07.2012 to 30.09.2012 has to be submitted by 15<sup>th</sup> April, 2013.

Further, format of ST-3 return has been substituted with a new Form to include *inter alia*, the following significant points:

- a) While calculating the value of taxable services the point relating to the partial reverse charge has been incorporated in case of service provider as well as service receiver at B1.6 and B2.7
- b) Exemption of R&D Cess provided by *Notification No. 14/2012 ST dated 14.03.2012* was not supported in earlier ST-3 return format. The same has now been incorporated in the modified return form at point B1.18 and B2.18

Assesseees have been advised to fill service wise data (to the extent possible) as required to be filled prior to 01.07.2012, for effective use of the data available consequent to the restoration of accounting codes. The objective behind revising the ST-3 form has been to retain the existing structure, which both the assesseees and the departmental officers are familiar with, while making some changes required after 1-7-2012.

*[Notification No. 01/2013 ST dated 22.02.2013, Order No. 01/2013 ST dated 06.03.2013 and F. No. 137/98/2006-CX-4 ( Part-I) dated 22.02.2013]*

#### **2. Service tax rate increased from 3.09% to 3.71% in the case of construction of complex, building or civil structure**

Service Tax abatement available for construction of complex, building or civil structure or a part thereof is being *reduced* from the existing 75% to 70% **except** in case of residential unit :

- a) having carpet area upto 2000 sq ft or
- b) where the amount charged is less than ` 1 crore.

*[Notification No. 02/2013 ST dated 01.03.2013]*

#### **3. Amendments in Mega Exemption Notification No.25/2012 ST dated 20.06.2013**

All the amendment would be effective from 01.04.2013.

I. Transportation of the following items by a Goods Transport Agency would be *exempted*:

- (i) foodstuff including flours, tea, coffee, jaggery, sugar, milk products, salt and edible oil, excluding alcoholic beverages,
- (ii) relief materials for specialized purposes,
- (iii) chemical fertilizers and oil cakes,
- (iv) registered newspapers or magazines and defense equipments.

II. The exemptions available in respect of the following services would be *withdrawn*:

- (i) transportation of petroleum and petroleum products, postal mails or mail bags and household effects by railways and vessels.
- (ii) services provided by an educational institution by way of renting of immovable property or auxiliary educational service. However, such services when provided to an educational institution would continue to be exempt from service tax.
- (iii) temporary transfer or permitting the use or enjoyment of a copyright of cinematograph films for exhibition elsewhere than in a cinema hall or a cinema theatre.
- (iv) services by way of vehicle parking to general public.
- (v) services provided to Government, a local authority or a governmental authority, by way of repair or maintenance of aircraft.

III. The exemption limit of `25 lakh available to charitable organizations providing service towards any other object of general public utility would be withdrawn.

IV. All restaurants with air-conditioning or central air heating (including restaurants not serving liquor as well) in any part of the establishment at any time during the year to be liable to service tax.

*[Notification No. 03/2013 ST dated 01.03.2013]*

#### **4. Scope of Advance Ruling extended to Resident public limited companies**

*Resident public limited companies would now be eligible to seek advance ruling in case of specified matters relating to service tax.*

*[Notification No. 04/2013 ST dated 01.03.2013]*

### **B. EXCISE**

#### **1. MRP based valuation prescribed for non-allopathic medicaments**

MRP based valuation has been prescribed with 35% abatement for non-allopathic medicaments.

*[Notification No. 01/2013 CE (N.T) dated 01.03.2013]*

#### **2. Interest on refund in case of provisional assessment to be governed by the provision of Section 11BB**

Interest on refund arising out of finalization of provisional assessment *to be paid after the expiry of three months* from the receipt of application of refund; as per the provisions of section 11BB.

*[Notification No. 02/2013 CE (N.T) dated 01.03.2013]*

#### **3. Scope of Rule 14 extended to include recovery of amount payable under Rule 3(5), (5A) & (5B) of CCR, 2004**

Recovery provisions provided under rule 14 of the CENVAT Credit Rules, 2004 to apply in case of failure to pay the *amount* on the removal of:

- inputs/capital goods as such,
- capital goods after use and
- writing off the value of the inputs/capital goods.

*[Notification No. 03/2013 CE (N.T.) dated 01.03.2013]*

#### **4. Scope of Advance Ruling extended to Resident public limited companies**

*Resident public limited companies would now be eligible to seek advance ruling in case of specified matters relating to central excise.*

*[Notification No. 04/2013 CE (N.T.) dated 01.03.2013]*

#### **C. CUSTOMS**

##### **1. Amendment to Baggage Rules, 1988**

- a) Duty free allowance in respect of jewellery for an Indian passenger who has been residing abroad for over one year or a person who is transferring his residence to India raised from ` 10,000 to `50,000 in case of a gentleman passenger and from ` 20,000 to `1,00,000 in case of a lady passenger.
- b) Duty free allowance for crew member of vessel/aircraft raised from ` 600 to ` 1500.

*[Notification No. 25/2013 Cus (N.T.) dated 01.03.2013]*

*The text of the above notification/circulars is available at [www.cbec.gov.in](http://www.cbec.gov.in)*