

**Notification No. 26/2012- Service Tax dated 20<sup>th</sup> June, 2012** as amended. Incorporating changes made till issuance of notification no 8/2016-Service Tax dated 1-3-2016

G.S.R..... (E). - 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 17<sup>th</sup> 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 17<sup>th</sup> 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;-

**Table**

<b>Sl. No.</b>	<b>Description of taxable service</b>	<b>Percent-age</b>	<b>Conditions</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
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	CENVAT Credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of CENVAT Credit Rules, 2004.” Inserted by notification 8/2016-service tax dated 1 March 2016
“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 CENVAT Credit Rules, 2004.”Inserted by notification 8/2016-service tax dated 1 March 2016
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 CENVAT Credit Rules, 2004.”Inserted by

			notification 8/2016-service tax dated 1 March 2016
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.
5	Transport of passengers by air, with or without accompanied belongings in (i) Economy class (ii) Other than economy class	40 60	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.
“6A Vide Corrigendum To 38/2016- service tax	Transport of passengers, with or without accompanied belongings, by air, embarking from or terminating in a Regional Connectivity Scheme Airport.	10	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.”Inserted by Notification 38/2016 dated 30 August 2016.
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.”Inserted by notification 8/2016-service tax dated 1 March 2016	30	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.
“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.”Inserted by

			notification 8/2016-service tax dated 1 March 2016.
“8	Services provided by a foreman of a 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 by the service provider under the provisions of the CENVAT Credit Rules, 2004.”Inserted by notification 8/2016-service tax dated 1 March 2016
9	Renting of any motor cab	40	<p>(i) CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken by the service provider under the provisions of the CENVAT Credit Rules, 2004.</p> <p>(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:</p> <p>(a) Full CENVAT credit of such input service received from a person who is paying service tax on forty percent of value; or</p> <p>(b) Up to forty percent CENVAT credit of such input service received from a person who is paying service tax on full value;</p> <p>(iii) CENVAT credit on input services other than those specified in (ii) above has not been taken under the provisions of the</p>

			CENVAT Credit Rules,2004.
9A	Transport of passengers,with or without accompanied belongings, by- a. A contact carriage other than motorcab. b. A radio taxi. c. “A stage carriage”Inserted by notification 8/2016-service tax dated 1 March 20 to be in effect from 1 June,2016	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.
10	Transport of goods in a vessel	30	“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.” Inserted by notification 8/2016-service tax dated 1 March 2016
“11	Services by a tour operator	60	(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) The bill issued for this purpose indicates that it is inclusive of charges of accommodation and transportation required for such a tour and the amount charged in the bill is the gross amount charged for such a tour including the charges of accommodation and transportation required for such a tour.” Inserted by Notification No. 4/2017 dated 12 <sup>th</sup> January,2017.

“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	(i) CENVAT credit on inputs used for providing the taxable service has not been taken under the provisions of the CENVAT Credit Rules, 2004. (ii)The value of land is included in the amount charged from the service receiver.”Inserted by notification 8/2016-service tax dated 1 March 2016
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Explanation. –

A. For the purposes of exemption at Serial number 1 -

(i) The amount charged shall be an amount, forming or representing as interest, i.e. the difference between the installments paid towards repayment of the lease amount and the principal amount contained in such installments;

(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-

(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.” Inserted by notification 8/2016-service tax dated 1 March 2016

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-

(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,-

a. \*\*\*

b. “ \*\*\*”deleted vide notification 8/2016-service tax dated 1 March 2016

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,

2A. “Nothing contained at Sl. No.6A” (Vide Corrigendum to Notification 38/2016-Service tax) of the TABLE shall apply on or after the expiry of a period of one year from the date of commencement of operations of the Regional Connectivity Scheme Airport as notified by the Ministry of Civil Aviation.” Inserted by Notification 38/2016 dated 30 August 2016.

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