

## **e-SERVICE TAX PAYMENT-RETURN MANDATORY IF SERVICE TAX=>10 LAKH**

Service tax rules has been amended from 01.04.2010.Now e payment of service tax and e filing of service tax return is mandatory where the service tax paid is rupees ten lakh or more in the immediately proceeding financial year including the adjustment of Centvat credit.

Earlier as per proviso one to rule 6 ,online service tax payment was mandatory ,where the service tax paid in current year or immediate proceeding year is rupees 50 lakh or more.so in brief following changes has been made.

1. If service tax paid in proceeding year is 10 lakh or more than assesee have to make payment of service tax through internet banking only.Earlier this limit was 50 lakh which was introduced by Notification No. 27/2006 dated 21.09.2006.Further in earlier notification e payment is mandatory if service paid crosses the amount of 50 lakh in current year also but in new notification there is no such clause .Means new businesses has no compulsion to deposit the tax on-line even the service tax paid amount is more than 10 or say 50 lakh .
2. Secondly mandatory on-line return (e return) has been linked to payment of service tax .If service tax paid in proceeding year is rupees 10 lakh or more than e return is mandatory.earlier there was no such clause.Further similar to above clause there is no compulsion on new firm/assesseees to file on line return even they have paid crore of service tax ,as this clause has been wrongly linked to previous year and for new firms there is no proceeding year.

### **Note:**

1. This amendment is applicable from 01.04.2010.
2. Service tax paid here means service tax directly paid plus adjustment of liability through adjustment of centvat. For example a company has paid 200000 lakh rupees in Fy 2009-10 and availed centvat credit rupees 900000 then service tax payment ,considered for this purpose will be  $200000+900000=1100000/-$  and Company has to deposit the service tax in FY 2010-11 online and has to file online return for Fy 2010-11
3. Failure to pay tax electronically/online upto Rs 5000 section 77(1)(d)

text of amendment is given below

Service Tax (Amendment) Rules, 2010 - Amendment in rules 6 & 7  
Notification No. 01/2010-Service Tax, dated 19-2-2010

In exercise of the powers conferred by sub-sections (1) and (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. Short title and commencement.- (1) These rules may be called the Service Tax (Amendment) Rules, 2010.

(2) They shall come into force on the 1st day of April, 2010.

2. In the Service Tax Rules 1994 (hereinafter referred to as the said rules), in rule 6, in sub-rule (2), for the proviso, the following proviso, shall be substituted, namely: -

“Provided that where an assessee has paid a total service tax of rupees ten lakh or more including the amount paid by utilisation of CENVAT credit, in the preceding financial year, he shall deposit the service tax liable to be paid by him electronically, through internet banking.”

3. In the said rules, in rule 7, after sub-rule (2), the following proviso shall be inserted, namely: -

“Provided that where an assessee has paid a total service tax of rupees ten lakh or more including the amount paid by utilisation of CENVAT credit, in the preceding financial year, he shall file the return electronically”.