

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) readwith sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), 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, 2011.
  - (2) They shall come into force on the 1<sup>st</sup> day of April, 2011.
2. In the Service Tax Rules, 1994 (hereinafter referred to as the said rules) in rule 4A, in sub-rule (1),-
  - (i) for the word “completion of”, the word “provision of” shall be substituted;
  - (ii) the third proviso shall be omitted;
  - (iii) in the fourth proviso, for the words “provided that”, the words “provided also that” shall be substituted.
3. In the said rules, after rule 5A, the following shall be inserted, namely:-

“5B. Date for determination of rate.- The rate of tax in case of services provided, or to be provided, shall be the rate prevailing at the time when the services are deemed to have been provided under the rules made in this regard.”.
4. In the said rules, in rule 6,
  - (i) in sub-rule (1),-
    - (a) for the words, “payments are received, towards the value of taxable services”, the words “service is deemed to be provided as per the rules framed in this regard” shall be substituted;
    - (b) in the first proviso, for the words, “payments are received, towards the value of taxable services”, the words “service is deemed to be provided as per the rules framed in this regard” shall be substituted;
    - (c) the second proviso shall be omitted;
    - (d) for the third proviso, the following shall be substituted, namely:-

“Provided also that the service tax on the service deemed to be provided in the month of March, or the quarter ending in March, as the case may be, shall be paid to the credit of the Central Government by the 31<sup>st</sup> day of March of the calendar year.”;
    - (e) after the third proviso, the Explanation shall be omitted;
    - (ii) for sub-rule (3), the following shall be substituted, namely:-

“(3) Where an assessee has issued an invoice, or received any payment, against a service to be provided which is not so provided by him either wholly or partially for any reason, the assessee may take the credit of such excess service tax paid by him, if the assessee.-

(a) has refunded the payment or part thereof, so received alongwith the service tax payable thereon for the service to be provided by him to the person from whom it was received; or

(b) has issued a credit note for the value of the service not so provided to the person to whom such an invoice had been issued.”;

(iii) in sub-rule (4B), in clause (iii), for the words, “one lakh rupees”, the words “two lakh rupees” shall be substituted;

(iv) after sub-rule (6), the following shall be inserted, namely:-

“(6A) Where an amount of service tax payable has been self-assessed under sub-section (1) of section 70 of the Act, but not paid, either in full or part, the same, shall be recoverable alongwith interest in the manner prescribed under section 87 of the Act.”.

(v) in sub-rule (7B),-

a) for the figures and words “0.25 per cent. of the gross amount”, the figures and words “0.1 per cent. of the gross amount” shall be substituted;

b) the Proviso and the Illustration shall be omitted.

[F. No. 334/3/2011-TRU]

  
(SAMAR NANDA)

Under Secretary to the Government of India

Note.- The principal rules were notified vide notification no. 2/1994-Service Tax, dated the 28<sup>th</sup> June, 1994, published in the Gazette of India, Extraordinary vide number G.S.R. 546(E), dated the 28<sup>th</sup> June, 1994 and last amended vide notification No.49/2010-Service Tax, dated the 8<sup>th</sup> October, 2010, vide number G.S.R. 822(E), dated the 8<sup>th</sup> October, 2010.