

Notification No. 29/2016 ST dated 26.05.2016

'Krishi Kalyan Cess' paid on all the services used for export in terms of Rule 6A of Service Tax Rules shall be eligible for rebate

Earlier, the Central government has issued a Notification No. 39/2012 ST dated 20.06.2012 as power conferred by rule 6A of Service Tax Rules by directing that rebate shall be granted on whole of service tax paid or cess paid on all the input services. However, it is specified in this notification that Krishi Kalyan Cess as levied under sub-section (2) of section 161 of the Finance Act, 2016 shall also be included in the meaning of "Service tax and cess" for the purpose of rebate notification. Thus, Central government has also allowed Rebate on 'Krishi Kalyan Cess' paid on input services used for service exported and this notification will be applicable from 01.06.2016.