

F.No.205-ITPO/REV/SER TAX/2016-17

India Trade Promotion Organisation
(Finance & Accounts Division)

25th May 2016

CIRCULAR

Sub: Increase in rate of service tax from 14.5% to 15%

The Government has announced a new cess, **Krishi Kalyan Cess (KKC)** to be levied and collected in accordance with the provision of Chapter VI of the Finance Act, 2015 at the rate of 0.5% on value of all taxable services w.e.f. 1st June 2016. Thereby, the effective rate of service tax will increase from **14.5% to 15%**.

Further Krishi kalyan Cess is not applicable on Services mentioned in "Negative List" and "Mega Exemption List" as per Notification No. 22/2015 that KKC would not be applicable on services exempted from levy of service tax.


(Gajraj Singh)
DGM(Fin)

To:

FA&CAO / GMLIT
GM(VM)
GM(JD)
GM (JGS)
GM(AKV)
CS(SRH)
DGM(RPD)
DGM(DKJ)
DGM(DKN)
DGM(SB)
DGM(BL)
DGM(CL)
DGM(HM)

All Regional Offices
Copy to : PS to CMD
PS to ED
Notice Board