

WESTERN INDIAN REGIONAL COUNCIL OF INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Welcomes all Participants to Seminar on issues in Service Tax Returns

Subject : Issues in Service Tax Returns

Date : 09th August, 2013 (Friday)

Venue : ICAI Tower, BKC , Mumbai

Presenter : CA. Parag G. Mehta

Background

- **CBEC has undertaken the process of automation in excise and service tax administration.**
- **The said process is termed as ACES i.e. “Automation of Central Excise and Service Tax”.**
- **It is a centralized web based software application which automates various process of Central Excise and Service Tax for assessee and department.**
- **An assessee can register, file returns, claims and intimations and track status of various matters online.**
- **The website can be assessed using the link www.aces.gov.in.**

Uses of ACES

- **Online Registration and amendment of Registration Details**
- **Electronic Filing of Documents such as Returns, Claims, Intimations and Permissions**
- **Online Tracking of the status of applications, claims and permissions**
- **Online Facility to view documents like Registration Certificate, Returns, Show Cause Notices, Orders etc.**

Scope of Presentation

- **E-filing of Service Tax Return for the period October 2012 to March 2013**
- **Issues in the said Process**

Filing of Service Tax Return

- **U/s 70 (1) of the Act, every person liable to pay service tax shall himself assess the tax due on the services provided by him. Such person shall furnish to the Superintendent of Central Excise a return in the prescribed form prepared in the prescribed manner and at prescribed intervals.**
- **U/r 7 of the Service tax rules, every assessee shall submit a half yearly return by the 25th of the month following the particular half year.**
- **Due dates for filing service tax return are :**

April to September	- 25th October
October to March	- 25th April

Filing of Service Tax Return

- Notification No 47/2012 dated 28.09.2012 has added a proviso in Sub rule(2) of Rule 7 that “ ST – 3 required to be submitted by the 25th October,2012 shall cover the period between 1st April to 30th June only”.
- The said date was extended to 25th November, 2012 vide Order No 03/2012 dated 15.10.2012
- Hence Service Tax Returns to be filed before 25th November covered the period April to June 2012.
- Notification No 01/2013 dated 22.02.2012 has added a proviso in Sub rule(2) of Rule 7 that “ ST – 3 required to be submitted by the 25th March,2013 shall cover the period between 1st July to 30th September only”.

Filing of Service Tax Return

- **The said date is further extended to 15th April, 2013 vide Order No 03/2012 dated 06.03.2013.**
- **Order No 03/2013 dated 23.04.2013 has notified 31st August 2013 as the due date for filing service tax returns for the period October 2012 to March 2013.**

Return

- **The persons responsible for filing service tax returns are :**
 - **Service Provider**
 - **Service Receiver (Reverse Charge Mechanism)**
 - **Input Service Distributor**

- **Notification No 43/2011 dated 25.08.2011 has made it mandatory for all assessee's irrespective of their turnover to file their return electronically.**

- **Consolidated Return for all taxable Services is to be filed.**

Returns

- **Penalty / late fees for delay in filing of return (Section 70 read with Rule 7C)**

Sr. No.	Delay	Penalty
1.	First 15 days	Rs. 500
2.	16 to 30 days	Rs. 1000
3.	Beyond 30 days	Rs. 1,000/- plus Rs. 100 per day of delay subject to maximum of Rs. 20,000/-

E-filing of Service Tax Return

- **Notification No 43/2011 dated 25.08.2011 has made it mandatory for all assessee's irrespective of their turnover to file return electronically.**
- **Assessee can fill the service tax return online or offline.**
- **The Online return can be filed after logging into ACES using the user -ID and password.**
- **The offline return can be prepared off-line using Excel Downloadable utility and uploading the XML file that had been generated.**
- **However the returns for the period April to June 2012 , July to September 2012 & October,2012 to March,2013 do not have the provision for filing online returns. All returns have to be filed using the Excel Downloadable utility.**

E-filing of Service Tax Return - Offline

- **Assessee has to download the utility available on the website under RET menu.**
- **Downloadable utility is an offline utility which can be downloaded, filled off-line and submitted on-line.**
- **It is advisable to download the latest version of utility from ACES website before filling the same.**
- **Once the utility is downloaded, fill up the data in correct format.**
- **Click on validate this sheet button to ensure that the sheet has been properly filled and data has been furnished in proper format. In case of errors, the utility will prompt assessee to correct them immediately.**
- **After validation an XML file will be generated.**
- **For uploading the XML generated file, login to ACES menu and using the uploading option, upload the same.**

E-filing of Service Tax Return - Offline

- **For uploading the offline return, login the ACES website and select the RET option from the Menu. From there select the option of E-filing of Return and Upload File.**
- **Returns uploaded from offline utility have the following status :**
 - a) Uploaded - Uploaded and under Process**
 - b) Filed - Uploaded Return accepted**
 - c) Rejected - Rejected due to Errors**
 - d) Saved - File Saved but not submitted**

Necessity of a New /Revised Form

- **Till 30.06.2012, selective taxation of services. From 01.07.2012 introduction of Negative Services U/s 66 D.**
- **Increase in services under Reverse Charge Mechanism (Section 68 read with Rule 2(1)(d)).**
- **Introduction of Partial Reverse Charge Mechanism.**
- **Changes in Abatement**
- **Specific Rate of Taxation (Money changing, Lottery)**

Clause by Clause Analysis of the Form

- **The clause by clause analysis of the form is demonstrated separately by a duly filled Form ST -3.**

Issues in E - Return

- **Service tax paid under protest.**
- **Disclosure of Proper Facts.**
- **The rate of abatement are changed in notification no. 26/2012 - ST from earlier Notification no. 01/2006 – ST. (Old notification no. 01/2006 – ST is not appearing in the drop down)**
- **Amount Realised on receipt basis for earlier period (prior to 30.6.2011).**
- **Service tax registration taken between July & November 12 for the category of Negative Service List.**
- **Service tax return for the period prior to the date of registration.**

Words of Caution

- 1. Views expressed are the personal views of faculty based on his interpretation of law.**
- 2. Application of various provisions and its implications will vary on facts of the case and law prevailing on relevant time.**
- 3. Members / participants are advised to be cautious while using the contents of this presentation.**
- 4. This educational meeting is arranged with a clear understanding that neither ICAI nor faculty will be responsible for any error, omission, commission and result of any action taken by participant or anyone on the basis of this presentation.**

THANK YOU