



जवाहरलाल नेहरू विश्वविद्यालय
JAWAHARLAL NEHRU UNIVERSITY
New Delhi – 110067
Accounts Section

No.IX/2/1/2016-17/Finance/

Dated: 31st May, 2016

Subject: Revised rate of Service tax-reg.

This has reference to Government of India DO no F.No.334/8/2016-TRU dated February 29, 2016. The DO states to levy Krishi Kalyan Cess on any or all taxable services at the rate of 0.5% of the value of taxable services with effect from 1st June, 2016.

The present rate of Service Tax at 14.5% including Swachh Bharat Cess will be revised to 15% (Service Tax 14% + Swachh Bharat Cess 0.5% + Krishi Kalyan Cess 0.5%). The rate of Krishi Kalyan Cess would be 0.5% in addition to the existing rate of service tax of 14% and Swachh Bharat Cess of 0.5%. As such Krishi Kalyan Cess translates into a tax of 50 paise only on every one hundred rupees worth of taxable services. Krishi Kalyan Cess is not leviable on services which are fully exempt from service tax or those covered under the negative list of services. Krishi Kalyan Cess would be calculated in the same way as Service tax is calculated. Therefore, Krishi Kalyan Cess would be levied on the same taxable value as service tax. Krishi Kalyan Cess would be levied, charged, collected and paid to Government independent of service tax. This needs to be charged separately on the invoice, accounted for separately in the books of account and deposited separately similarly to Swachh Bharat Cess. Krishi Kalyan Cess may be charged separately after service tax and Swachh Bharat Cess as a different line item in invoice.

This issues with the approval of the competent authority.

Shankar Dhar
Joint Registrar (Finance)

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