

Budget Highlights for Service Tax

1. No change in service tax rate
2. Two new services added
 - (a) Hotel accommodation in excess of Rs. 1000/- per day
 - (b) Services provided by Air conditions restaurant having bar license to serve liquor.
3. Tax on all services provided by hospitals with 25 or more beds with facility of central air conditioning.
4. Service Tax on air travel raised.
5. Services provided by life insurance companies in the area of investment.
More legal services proposed to be brought into tax net.
6. All individual and sole proprietor tax payers with a turn over upto ` 60 lakh freed from the formalities of audit.
7. Increase in maximum penalty delay in filing of service tax return from Rs. 2000/- to Rs. 20,000/-.
8. Reduce interest rate by 3% for assessee having turnover of upto Rs. 60 lakhs under section 73B and 75.