

## **FinMin may garner Rs 3,000 crore from service tax amnesty scheme**

A one-time amnesty scheme to encourage payment of service tax dues is proving to be a winner for the Finance Ministry.

“We have managed to get over Rs 2,500 crore from the Voluntary Compliance Encouragement Scheme for Service Tax. The total will easily exceed Rs 3,000 crore or even much more than that,” Finance and Revenue Secretary Sumit Bose told *Business Line*.

This scheme was introduced in this year’s Budget , which was notified on May 10, and the window will close on December 31.

Every day, 800 to 900 applications for settling dues are coming in. So far, “we have got over 12,000 applications,” Bose said. The largest number of applicants is from the construction sector, followed by the manpower/private security firms, and rentals sector.

“Renting here refers to income earned on letting out premises for commercial purpose and not for normal residential purpose. Service tax is due in many of such instances and this scheme provides an opportunity,” Bose said .

### **Clarifications helped**

After a lukewarm response during the initial days, Finance Minister P. Chidambaram met trade and industry representatives in Chennai, Delhi, Mumbai, Kolkata, Bangalore and Hyderabad. Based on the queries raised at these meetings, the Ministry issued two clarifications, with the latest one being on December 11. This allowed applicants to pay a minimum of 50 per cent of the tax dues in instalments, and not as a lump sum, by December 31.

Bose also ruled out extending the scheme beyond December 31. “Since this scheme has been introduced through the Finance Act of 2013 and the Act prescribes the time limit, taking it beyond (is) not possible,” he said.

*(The Hindu Business)*