

**Press Information Bureau
Government of India
Ministry of Finance**

20-May-2015 14:15 IST

Increase in Service Tax Rate from 12% to 14% with Effect from 1st June, 2015

In the Union Budget, 2015, an increase in the rate of Service Tax from 12% to 14% had been proposed from a date to be notified. The Finance Bill, 2015 has since been enacted and the Central Government has notified 1st June, 2015 as the date from which the rate of 14% would become applicable. The provisions levying Education Cess and Secondary and Higher Education Cess would also cease to have effect from same date i.e. 1st June, 2015, as the same would be subsumed in the service tax rate of 14%. Certain other changes have also been notified with effect from 1st June, 2015. However, the date of giving effect to the provisions relating to imposition of a Swachh Bharat cess on all or any taxable service will be done in due course.

DSM/MAM/KA