

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:3994
ANSWERED ON:18.04.2002
SERVICE TAX ON TV PROGRAMME PRODUCERS
ANANDRAO ADSUL

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether the Service Tax being levied on TV programme producers;
- (b) if so, whether the said tax is being recovered from the TV channels on which the programmes being telecast;
- (c) if so, whether the Doordarshan is also paying 5% service tax to the TV programme producers;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

THE MINISTER OF INFORMATION AND BROADCASTING (SMT. SUSHMA SWARAJ)

(a) & (b): The Finance Act, 1994 as amended by the Finance Act, 2001, provides for levy of `service tax` on broadcasting service at the rate of 5% of the value of taxable service. `Taxable Service` has been defined to mean any service provided to a client, by a broadcasting agency or organisation in relation to broadcasting, in any manner. In case of broadcasting service, the advertisement charges or the sponsorship charges received by the broadcasting agency or organisation are the consideration for the services rendered and service tax payable on these charges.

(c): No Sir.

(d) & (e): Under Section 22 of Prasar Bharati Act, 1990, Prasar Bharati is exempted from income tax or any other tax in respect of any income, profit or gains, accruing or arising out of the Fund of the Corporation or any amount received by them. The matter is being examined in consultation with Ministries of Law and Finance.