

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:87
ANSWERED ON:17.08.2007
SECTORS UNDER SERVICE TAX
Gaikwad Shri Eknath Mahadeo;Singh Shri Sugrib

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has included some more sectors under service tax during the last one year ;
- (b) if so, the details thereof ;
- (c) the details of revenue earned from service tax during each of the last three years ;
- (d) the estimated revenue from service tax proposed to be earned by the Government during the Financial Year 2007-08 ;
- (e) the details of revenue so far collected by the Government on account of service tax during the current financial year ;
- (f) whether cases of default in service tax has occurred in the last three years; and
- (g) if so, the details thereof and the steps taken thereon ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a),(b),(c),(d),(e),(f)and(g): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. 87 RAISED BY SHRI EKNATH M. GAIKWAD AND SHRI SUGRIB SINGH FOR 17TH AUGUST, 2007 REGARDING SECTORS UNDER SERVICE TAX [POSITION NO. 07]

Part (a): Yes, Sir.

Part (b): Following services were individually specified as taxable services during the year 2007-08:

- (i) Telecommunication service (includes various telecommunication related services which are presently specified as separate taxable services);
- (ii) Services outsourced for mining of mineral, oil or gas;
- (iii) Services provided in relation to renting of immovable property, other than residential properties and vacant land, for use in the course or furtherance of business or commerce (such services provided by or to a religious body are excluded);
- (iv) Services provided in relation to the execution of a works contract (sales tax is levied on transfer of goods involved in the execution of the works contract by States);
- (v) Development and supply of content for use in telecommunication services, advertising agency services and on-line information and database access or retrieval services;
- (vi) Asset management including portfolio management and all forms of fund management service provided by any person, except a banking company or a financial institution including a non-banking financial company or any other body corporate or commercial concern; and
- (vii) Design services.

Part(c) The amount of service tax collected during the financial year 2004-05, 2005-06 and 2006-07 are Rs. 14,200 crore, Rs. 23,055 crore and Rs. 37,484 crore respectively. Figure in respect of 2006-07 is provisional.

Part(d) The Budget Estimate for service tax collection during the year 2007-08 is Rs. 50,200 crore.

Part(e) The amount of service tax collected during the current financial year i.e. 2007-08 (Upto June, 2007) is Rs. 10,012 crore

(Provisional).

Part(f) Yes, Sir.

Part(g) The details of cases of service tax evasion detected in the last three years are given in the Table below:

(Rs. in crore)

Sr. No.	Year	No. of cases detected	Revenue involved
1.	2004-05	2980	299.56
2.	2005-06	3913	725.71
3.	2006-07	4342	940.78

On completion of investigation, show cause notice is issued for recovery of revenue involved and for imposition of penalty.