

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3793
ANSWERED ON:16.12.2011
TAX ON PACKAGED SOFTWARE
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Will the Minister of FINANCE be pleased to state:

- (a) the details of duties, taxes etc. leviable on import of Packaged Software;
- (b) whether Service Tax is also applicable on import of Packaged Software;
- (c) if so, the details thereof; and
- (d) the steps taken by the Government to ensure that the State Governments do not charge Value Added Tax on Packaged Software where Service Tax is applicable?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): The details of duties, taxes etc. leviable by the Central Government on import of Packaged Software are as follows:

- (i) Additional Duty of Customs (commonly known as CVD) under Section 3(1) of Customs Tariff Act 1975: 10%
- (ii) Additional Duty of Customs (commonly known as SAD) under Section 3(5) of Customs Tariff Act 1975: 4%

(b): Yes, in specified cases as given below.

(c): Service Tax is leviable on the import of Packaged Software when the Retail Sale Price is not required to be declared on the package under the provisions of the Legal Metrology Act, 2009 or the rules made thereunder or any other law for the time being in force.

(d): Centre has no role in the levy of Value Added Tax by the respective State Governments.