

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4087

ANSWERED ON:05.09.2012

SERVICE TAX

Patasani Dr. (Prof.) Prasanna Kumar;Ponnam Shri Prabhakar;Ray Shri Rudramadhab

**Will the Minister of FINANCE be pleased to state:**

(a) whether service tax is imposed on film industry; and

(b) if so, the details thereof and if not, the reasons therefor?

**Answer**

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

(a): Sir, Yes.

(b): As a preparation for the introduction of Goods and Service tax (GST), comprehensive approach to taxation of services has been brought into effect from the 1st day of July, 2012. Under the new approach, service tax is leviable on all taxable services, which meet the definition of `service`, provided in section 65B (44) of the Finance Act, 1994, other than those services described in the negative list and exempt list. At present rate of service tax is 12.36 per cent including education cesses. A general exemption is available for small value service providers, up to an aggregate value often lakh rupees in financial year, subject to conditions.