

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6984
ANSWERED ON:08.05.2015
REVENUE THROUGH SERVICE SECTOR
Chandumajra Shri Prem Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether there has been surge in the taxes imposed on the services sector;
- (b) if so, the details thereof along with the revenue earned through service sector during the last three years;
- (c) whether the amount of said revenue is estimated to increase more after the adoption of GST; and
- (d) if so, the details thereof and its impact on the persons engaged in service sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) & (b): At present service tax is levied at the rate of 12% on the taxable services. In addition, Education cess and Secondary and higher Education cess are levied at the rate of 2% and 1% respectively on the service tax amount. The service tax collection during the last three years is mentioned below:

Year	Service Tax (RsCrores)
2012-13	132601
2013-14	154778
2014-15 (Provisional)	168492

(c) & (d): Under the proposed Constitutional (122nd) Amendment Bill, concurrent powers for levy of Goods and Services Tax is proposed to be given to the union and State legislatures. Since States will also start levying SGST (State Goods and Services Tax) on supply of services, combined revenue of Centre and States from Services sector is estimated to increase. However, the exact impact on persons engaged in Services sector will depend upon factors like the rate of tax, the threshold exemption, the exempted category of services which will all be decided by the GST Council to be constituted after the Constitution (122nd) Amendment comes into force.