

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3255
ANSWERED ON:12.12.2014
SERVICE TAX ON NRI REMITTANCE
Mullappally Shri Ramachandran

Will the Minister of FINANCE be pleased to state:

- (a) whether Government decided to levy Service Tax on NRI remittance;
- (b) if so, the details thereof;
- (c) whether the Government received representations regarding reversal of this decision; and
- (d) if so, the details thereof and response thereto?

Answer

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

- (a): Remittances being a transaction in money, does not constitute "service" for the purpose of levy of service tax. Therefore, remittances per se do not attract service tax. Service tax would apply only to a taxable activity, if any, undertaken in the taxable territory, by a service provider in relation to such remittances.
- (b): Does not arise in view of (a) above.
- (c): Does not arise in view of (a) above.
- (d): Does not arise in view of (a) above.