

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**INCREASE IN SERVICE TAX RATE FROM 12% TO 14 WITH EFFECT FROM 1<sup>ST</sup>  
JUN, 2015**

**New Delhi, May 20, 2015**  
**Vaisakha 30, 1937**

In the Union Budget, 2015, an increase in the rate of Service Tax from 12% to 14% had been proposed from a date to be notified. The Finance Bill, 2015 has since been enacted and the Central Government has notified 1<sup>st</sup> June, 2015 as the date from which the rate of 14% would become applicable. The provisions levying Education Cess and Secondary and Higher Education Cess would also cease to have effect from same date i.e. 1<sup>st</sup> June, 2015, as the same would be subsumed in the service tax rate of 14%. Certain other changes have also been notified with effect from 1<sup>st</sup> June, 2015. However, the date of giving effect to the provisions relating to imposition of a Swachh Bharat cess on all or any taxable service will be done in due course.

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PIB Release Authority – PIB Release ID – 121872