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Levy of Swachh Bharat Cess w.e.f. November 15, 2015

Finance Ministry vide. Notification No. 21/2015-ST and Notification No. 22/2015-ST has notified imposition of Swachh Bharat Cess @ 0.5% w.e.f. November 15, 2015.

Key Takeaways:

- A provision was made regarding Swachh Bharat Cess in Union Budget 2015.
- Vide Notification Nos. 21 and 22 of 2015-ST, Central Govt. has notified 0.5% of Swachh Bharat Cess on value of all taxable services. However, it has been clarified that no such cess would be leviable on exempted services and negative list services.
- The effective rate of service tax would be 14.5% (including Swachh Bharat Cess)
- CENVAT Credit would not be available towards Swachh Bharat Cess. Similarly, CENVAT Credit could not be utilized against the payment of Swachh Bharat Cess.
- Reverse Charge Mechanism would be applicable on Swachh Bharat Cess.

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