

RELEVANT BUDGET UPDATES IN SHORT

BUDGET 2017-18

SERVICE TAX

1. Research & Development Cess Act 1986- Repealed

No more exemption on the import of technology. Hence Service Tax has to be paid in full inclusive of Swachh Bharat & Krish Kalyan Cess.

The Research & Development Cess Act 1986 is proposed to be repealed. This will come into force from 1st April 2017.

2. Long term (more than thirty years) lease charges payable to State Government Industrial Development Corporation towards Industrial Plots are exempted from levy of service tax with retrospective effect from 01.06.2007.
3. Exclusion of value of land/UDS for the purpose of valuation u/r 2A of Service Tax (determination of Value) Rules 2006 wef 01.07.2010 retrospectively. This exemption is applicable to the exemption that is granted over and above the Notification No.41/2016-ST.

CUSTOMS

1. **Claim for refund of Duty**- Section 27 of the Customs Act to include a new sub-clause (g) to exclude the following two categories from the scope of unjust enrichment:

- a. Excess payment is evident from BoE in case of self assessed BoE
 - b. Duty actually payable is reflected in the reassessed BoE in case of reassessment.
2. There is no necessity for label or declaration to accompany the goods imported or exported via post. Section 82 of the Customs Act rescinded.

- CENTRAL EXCISE**
- 1. **Remission:** Application must be decided with 3 months from the date of receipt of application by the Authority. This can be further extended to 6 months.

- MISCELLANEOUS**
- 1. Time limit of 3 months (further extendable to 6 months) has been fixed to the authorities to dispose the application u/r 10 of CCR 2004 where transfer of credit was sought by the assessee in view of shifting of unit/amalgamation/any other reason.

2. Settlement Commission			
	Description of the	CUSTOMS	CENTRAL EXCISE
	Provision		

Settlement Commission Application	to enable any person to file an application for settlement of cases.	127(5) of Customs Act 1962 is inserted.	of Act is inserted.	32E (5) of the Central Excise Act 1944 is inserted.
Order passed by Settlement Commission	Order can now be amended if the order passed by it has any error apparent on the face of record.			New sub section 5A inserted u/s 32F of the CE Act.

3. Changes in Advance Ruling				
#	Description of the Provision	Central Excise Act 1944	Customs Act 1962	Service Tax-Finance Act 1994.
	By amending the definition of the authority the Advance Ruling powers are transferred to ARA under ITA 1961.	23A	Section 28E.	Section 96A(d)
	No proceedings/pronouncement by AAR shall be questioned/invalid for mere existence if any vacancy/defect in their constitution.	23B		Section 96B
	Increase in the Application fee from Rs.2500 to Rs.10,000.	23C		Section 96C(3)
	Time limit extended for disposal from 90 days to six months.	23D		Section 96D(6)
	All pending cases to be transferred as is.	23I		Section 96HA

