

**(Commercial Circular No. 32 of 2015)**

No. TCII/2910/2012/Service Tax

New Delhi, 26.05.2015

The General Managers,  
All Zonal Railways.

Sub: Levy of service tax on transportation of passengers by rail.

Ref.:- Board's letters of even no. dated 26.06.2012, 26.09.2013(C.C. No.58 of 2012), 28.09.2012 (C.C. No.59 of 2012), 29.09.2012 (C.C.No.60 of 2012) & 10.10.2012 (C.C. No.62 of 2012).

In terms of Board's letter of even no. dated 26.06.2012 service tax of 3.708% is levied on the total fare. As per General Budget 2015-16 announcement, the 'Education Cess' and 'Secondary & Higher Education Cess' shall be subsumed in the new service tax rate and service tax rate is proposed to be increased from 12% plus Education Cesses to 14%. Accordingly, it is proposed to modify para 3 of Board's letter of even no. dated 26.06.2012 as under:-

"Service tax of 14% will be charged on 30% of passenger fare equivalent to 4.2% of the total fare in first Class and AC Classes.

2. The increase in Service Tax will be applicable w.e.f. 01.06.2015 on the tickets issued/bookings made on or after 01.06.2015. Service Tax increase is not leviable on tickets issued prior to 01.06.2015.

3. Besides this, there is also a proposal to levy Swach Bharat Cess on all or certain taxable services at a rate of 2% on the value of such taxable services. If Railways is also included in the list for Swach Bharat cess, the same will be notified later.

4. Other terms and conditions will remain the same as per various circulars/notifications issued on this subject. Necessary instructions may be issued to all concerned.

5. This issues with the concurrence of Finance Directorate of Ministry of Railways.



(Dr. S. K. Ahirwar)  
Director Traffic Commercial (G)  
Railway Board

No. TCII/2910/2012/Service Tax

New Delhi, 26.05.2015

Copy to:-

1. DAI (Railways).
2. FA & CAOs, All Indian Railways.
3. Principal Director of Audit, All Indian Railways.

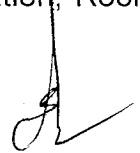


(M.K. Dnyanesh)

for Financial Commissioner, Railways

Copy forwarded for information & necessary action to:

1. CCMs, All Indian Railways.
2. CCM (PM)s, All Indian Railways.
3. CRB, MT, FC, Secretary, DG/RHS, Railway Board.
4. AM(B), Adv (Finance), AM(IT), AM(C), Adv (Vig), Adv(Rates), ED(A), EDF(C), ED(C&IS), EDV(T), ED/Safety, ED(H), ADG/PR, DFC, DTC(G), DTC(G)-II, and TC(CR), V(SS), PR, TG-I, TG-II, TG-IV, TG-V & F(C) Branches, Railway Board.
5. **MD, GM/PRS, GM/UTS Centre** for Railway Information System (CRIS), Chanakyapuri, Near National Rail Museum, New Delhi, for making necessary changes in the PRS and UTS softwares.
6. MD, IRCTC, 11<sup>th</sup> Floor, B-148, Statesman House, Barakhamba Road, New Delhi-1.
7. Director General, Railway Staff College, Vadodara.
8. Managing Director, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No. 6, Sector 11, CBD Belapur, Navi Mumbai – 400 014.
9. General Manager, Metro Railway, 33/1, J.L. Nehru Road, Kolkata.
10. Chief Commissioner of Railway Safety, Lucknow.
11. General Secretary, IRCA, Chelmsford Road, New Delhi for issue of necessary correction slip to Coaching Tariff No. 26 part-I (Vol.I)
12. The General Secretary, All India Railwaymen's Federation, Room No. 253, Rail Bhavan, New Delhi.
13. The General Secretary, National Federation of Indian Railwaymen, Room No. 256-E, Rail Bhavan, New Delhi.
14. The Secretary General, All India R.P.F. Association, Room No. 256-D, Rail Bhavan, New Delhi.
15. The Secretary General, Federation of Railway Officers Association, Room No. 256-A, Rail Bhavan, New Delhi.
16. The Secretary General, Indian Railway Promotee Officers Association, Room No. 268, Rail Bhavan, New Delhi.



(Dr. S. K. Ahirwar)  
Director Traffic Commercial (G)  
Railway Board