

6.2 Service Tax

Tally.ERP 9 tracks bill-wise (bill-by-bill) details and automatically calculates **Service Tax** payable and **Input Service Tax Credit** on each service bill. It also allows you the flexibility to make adjustments later. Tally.ERP 9 contains statutory masters predefined with Service Tax rates and abatements for each taxable service. With the help of Tally.ERP 9, you can adjust input credit against the service tax payable and account for abatements / expenses and also specify exemption notification details. It also facilitates generation and printing of Service Tax related reports, forms and challans in the prescribed formats (viz., GAR 7 Challans and ST-3 Challans)

6.2.1 Enable Service Tax

To activate **Service Tax** in Tally.ERP 9, follow the steps given below :

Go to **Gateway of Tally > F11: Features > F3: Statutory & Taxation**

- Set **Enable Service Tax** to **Yes**
- Enable **Set/Alter Service Tax details** to **Yes**
- Press **Enter**, the **Service Tax Details** screen appears,
- Type all details in **Company Service Tax Details**
- Save screen

Company Service Tax Details				
Service Tax Registration No.	: ABCD1234EE	Division	:	
Date of Registration	: 15-Mar-2008	Code	:	8762EE31
Assessee Code	: 12ABDE	Name	:	BANGALORE/JAYANAGAR
Premises Code No.	: PP0091	Range	:	
Type of Organisation	: Individual/Proprietary	Code	:	456181
Is Large Tax Payer	: ? No	Name	:	KARNATAKA
Large Tax Payer Unit	:	Commissionerate	:	
		Code	:	35045781
		Name	:	Somesh Jain

Company Service Tax Details Screen

6.2.2 Create Service Tax Ledger Masters

Service affects those services that have been notified by the Government on input and output services, create input and output service tax ledgers.

To create **Service Tax Ledger Masters** in Tally.ERP 9, follow the steps given below :

Go to **Gateway of Tally > Accounts Info. > Create**

- Type the **Name** of the **Ledger**
- Select the required **Group**
- Select the **Type of Duty/Tax** as **Service Tax**
- Select the required **Service Tax Category** from the list of Service Tax Categories in the

Category Name field

Ledger Creation		Universal Enterprises		Ctrl + M
Name : Input Service Tax on Maintainance			Total Op. Bal.	
(alias) :				
Under	: Duties & Taxes (Current Liabilities)	Name	:	
Type of Duty/Tax	: Service Tax	Address	:	
Category Name	: Maintenance Or Repair Service	State	:	
Inventory values are affected	? No	PIN Code	:	
		Tax Information		
		PAN / IT No.	:	
Opening Balance (on 1-Apr-2008) :			Accept ?	
			Yes or No	

Service Tax Ledger Creation

- Save screen

6.2.3 Create Service Tax Transactions

To create **Service Tax** transactions in Tally.ERP 9, follow the steps given below :

Go to Gateway of Tally > Accounting Vouchers > F8: Sales /F9: Purchase

6.2.3.1 Select the Party's Name

6.2.3.2 Select the Service and value of Services rendered

6.2.3.3 Select **Service Tax Ledger**, the rate of service tax and the service tax amount is prefilled automatically

Accounting Voucher Creation		Universal Enterprises	Ctrl + M
Sales No. 20		31 Mar 2009 Tuesday	
Ref. :			
Party's A/c Name : M/s Wintech Computers			
Current Balance :			
Particulars	Rate	per	Amount
Sale Maintenance Service			10,000.00
Output ST on Maintenance		10 %	978.50
	(Cess 2 %, Sec Cess 1 %)		
Narration:			10,978.50
Received Services from Wintech computers			

Sales Invoice screen

6.2.3.4 Save
screen

6.2.4 Print Service Tax Invoice

To print **Sales Invoice** for Services rendered in Tally.ERP 9, follow the steps given below :

6.2.4.1 Press **Pg Up** from the above screen

6.2.4.2 Press **Alt + P**, the **Voucher Printing** Screen appears

6.2.4.3 Specify required details in **Voucher Printing** screen

6.2.4.4 Press **Enter** to **Print**

INVOICE

Universal Enterprises Plot No. 113 & 114, Industrial Estate, Hongasandra Bangalore E-mail: sales@universalenterprises.com	Invoice No.	Dated
	20	31-Mar-2009
	Delivery Note	Mode/Terms of Payment
	DN:009	Cheque/DD
	Supplier's Ref.	Other Reference(s)
Buyer M/s Wintech Computers ITS CHPL, DREAM HOME Mysore	Buyer's Order No.	Dated
	P000356	31-Mar-2009
	Despatch Document No.	Dated
	Doc:124009	31-Mar-2009
	Despatched through	Destination
	Pandit Travels	Bangalore
	Terms of Delivery	Delivery within 15 Days

Sl No.	Particulars	VAT %	Quantity	Rate	per	Amount
		NIL				
	Sale Maintenance Service <i>(Maintenance Or Repair Service) Assessable Value 9,500.00</i>					10,000.00
	Output ST on Maintenance				10 %	950.00
	Cesa				2 %	19.00
	Sec Cesa				1 %	9.50
	Total					10,978.50

Amount Chargeable (in words) E. & O.E
Rs. Ten Thousand Nine Hundred Seventy Eight and Fifty paise Only

Remarks:
 Received Services from Wintech computers
 Company's VAT TIN : 2912345689
 Company's CST No. : CST 343434
 Company's Service Tax No. : ABCD1234EE
 Buyer's VAT TIN/Sales Tax No. : 56784512445

Date & Time : 31-Mar-2009 at 15:11

for Universal Enterprises

Authorized Signatory

This is a Computer Generated Invoice

Printed Service Tax Invoice

6.2.5 Receipt of Payments

To record receipts for Services rendered, follow the steps given below :
 Go to **Gateway of Tally > Accounting Vouchers > F6:Receipt**

- 6.2.5.1 Select the **Bank Ledger** in the **Account** field
- 6.2.5.2 Select the **Party** details

6.2.5.3 Select the relevant **Service Tax Category** in the **Service Tax Ledger** field of **Bill-wise Allocations** for screen and press **Enter**

Accounting Voucher Creation		Universal Enterprises	Ctrl + M
Receipt	No. 1		31-Mar-2009 Tuesday
Account: HDFC Bank Cur Bal: 10,000.00 Dr			
Particulars			Amount
M/s Wintech Computers Cur Bal: 978.50 Dr Agst Ref 20A			10,000.00
	10,000.00	Cr Output ST on Maintenance	
Narration: Ch. No. :421512 Received from Wintech computers			10,000.00
			Accept ? Yes or No

Receipt of Payments for Services Rendered

6.2.5.4 Save
screen

6.2.6 Service Tax Abatement facility

Tally.ERP 9 allows you to account for applicable abatements for respective taxable services. You can avail abatement against the output tax payable for a given period. In Tally.ERP 9, the details of abatements are available in the Statutory masters containing the taxable services.

To view **Service Categories**,

Go to **Gateway of Tally > Display > Statutory Info. > Service Categories**

Service Category		Universal Enterprises			
Name	Maintenance Or Repair Service				
Applicable to Country	India				
Code	00440246				
Accounting Code	00440245				
Category Code	MRS				
Sub-Clause No.	zzg				
<u>Service Tax Details</u>					
Applicable From	Abatement (%)	Notification No.	Service Tax Rate (%)	Cess Rate (%)	Sec Cess Rate (%)
1-4-2005			10 %	2 %	
18-4-2006			12 %	2 %	
11-5-2007			12 %	2 %	1 %
24-2-2009			10 %	2 %	1 %

Service Category Details

6.2.7 Payment of Service Tax

The Service Tax has to be paid to the credit of the Central Government by the 5th of the month immediately following the calendar month in which the payments are received, towards the value of the taxable services. The Service Tax Payments are required to be paid in GAR-7 Challan, Tally.ERP provides the facility to generate GAR-7 with the required information.

To make payments for Service Tax,

Go to **Gateway of Tally > Accounting Vouchers > F5: Payment**

- Select the **Bank Ledger** in the **Account** field
- Select the **Output Service Tax** Ledger
- Set **Provide Details** to **Yes** and specify the **Payment Details**

6.2.8 Print GAR 7 Challan

To generate **GAR 7** Challan for payment of Service Tax,

6.2.8.1 Press **Pg Up** from the above screen

6.2.8.2 Press **Alt + P**, the **Voucher Printing** appears

6.2.8.3 In the **Voucher Printing** screen, ensure **Print GAR - 7 Challan** option is set to **Yes**

6.2.8.4 Press **Enter** to Print

6.2.9 View Service Tax Reports

According to Service Tax Rules, every registered service provider is required to maintain proper Books of Accounts and Records for all input services consumed and output services provided by them during the specified period. In Tally.ERP 9, the following Service Tax reports are available :

6.2.9.1 Service Tax Payables

6.2.9.2 Input Credit Form

6.2.9.3 ST3 Report

To view **Service Tax Reports**, follow the steps given below :

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports**
Service Tax Payable

The **Service Tax Payable** Report delivers information on total value of taxable services rendered and realised during the given period. It provides party-wise and category-wise tax obligation of the assessee for the particular period. You can generate the service tax payable report to know the Service Tax liability before adjustment.

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Service Tax Payables**

Service Tax Payable										Universal Enterprises	Ctrl + M
Service Tax Payable										as at 31-Mar-2009	
Date	Ref. No.	Partys' Name	Category Name	Bill Value			Realised Value			Total Payable	
				Assessa-ble Value	Service Tax	Cess	Assessa-ble Value	Service Tax Payable	Cess		
30-Mar-2009	Sale/19	M/s Wintech Computers	Maintenance Or Repair Service	16,820.00	1,682.00	50.46	16,820.00	1,682.00	50.46	1,732.46	
31-Mar-2009	Sale/20	M/s Wintech Computers	Maintenance Or Repair Service	9,500.00	950.00	28.50	8,853.30	865.33	25.96	891.29	
Total				26,320.00	2,632.00	78.96	25,473.30	2,547.33	76.42	2,623.75	

Service Tax Payable Report

To view the **Service Tax Payable** Report in detailed mode, press **Alt+F1**

Input Credit Form

If the assessee has availed credit of Service Tax, he/she is required to furnish a return in proforma in terms of rule 5(4) of the service tax credit rules, along with his half yearly return. If the input credit is in excess of output service tax payable during a particular month or quarter, the surplus is transferred to the next period and is available for set off during that month or quarter, as the case may be.

To view **Input Credit Form**,

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > Input Credit Form**

Input Credit Form											
Universal Enterprises										Ctrl + M	
Input Credit Form as at 31-Mar-2009											
Date	Ref. No.	Partys' Name/ Tax No.	Party Address	Category Name	Bill Value			Realised Value			Total Credit
					Assessab- le Value	Service Tax	Cess	Assessab- le Value	Service Tax Credit	Cess Credit	
26-Mar-2009	Puro86	Fast Couriers		Courier Agency	4,000.00	480.00	14.40	4,000.00	480.00	14.40	494.40
27-Mar-2009	Puro82	Fast Couriers		Courier Agency	1,100.00	132.00	3.96	1,100.00	132.00	3.96	135.96
27-Mar-2009	Puro93	Telephone Link Ltd.,		Telephone Services	1,250.00	150.00	4.50	1,250.00	150.00	4.50	154.50
Total					6,350.00	762.00	22.86	6,350.00	762.00	22.86	784.86

Service Tax Input Credit Form

Print ST 3 Half Yearly Return

According to Service Tax Rules, an assessee is required to submit half-yearly return in **Form ST-3** within 25 days of the end of the half-year. Tally.ERP 9 facilitates the generation of half-yearly ST-3 Challans in the manner as prescribed under Rule 7 of the Service Tax rules 1994.

To view the **ST 3** half-yearly return

Go to **Gateway of Tally > Display > Statutory Reports > Service Tax Reports > ST3 Report**

6.2.9.4 In the **Printing** screen,

6.2.9.4.1 Specify **April- September 2008** in the **Period For** field

6.2.9.4.2 Type **Place** and **Date** details