

NOTIFICATION NO

26/2010-Service Tax, Dated : June 22, 2010

In exercise of the powers conferred by clause (aa) of sub - section (2) of section 94 of the Finance Act, 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is public interest so to do, hereby exempts the services referred to in clause (zzzo) of sub-section (105) of Finance Act, 1994 from so much of service tax as is in excess of,-

(a) ten percent of the gross value of the ticket or rupees one hundred per journey, whichever is less, for travelling in any class, within India;

(b) ten percent of the gross value of the ticket or rupees five hundred per journey, whichever is less, for embarking in India for an international journey in economy class:

Provided that this exemption shall not apply in cases where –

the credit of duty paid on inputs used for providing such taxable service has been taken under the provisions of CENVAT Credit Rules, 2004 ;

Explanation,- For the purposes of this notification, economy class in an aircraft means,-

(i) where there is more than one class of travel, the class attracting the lowest standard fare; or

(ii) where there is only one class of travel, that class.

2. This notification shall come into force on 1 st day of July, 2010.

F. No. 334/03/2010 -TRU

Under Secretary to the Government