

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2600
ANSWERED ON:08.12.2006
SERVICE TAX
Kaushal Shri Raghuvir Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of the problems being faced by the traders on account of demands made with respect to service tax as reported in Rajasthan Patrika daily dated November 07, 2006;
- (b) if so, the details thereof and the reaction of the Government thereto; and
- (c) the further machinery available for solving their problem alongwith the steps to be taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANDMANICKAM)

(a) Yes sir.

(b) It was reported in the Rajasthan Patrika dated November 07, 2006:

(i) that the following issues have been raised by the traders,-

they are facing problem on account of the demand notices issued to the photography and colour labs;

lack of knowledge of service tax law is causing difficulties for them. Department should organize seminars to provide information regarding service tax.

(ii) that the Assistant Commissioner has informed the traders that it is a policy matter and that the issues would be brought to the notice of the senior officers.

(c)

(i) The demand notices will be adjudicated in terms of the provisions of law.

(ii) The field formation is providing help to the assessee in getting solution to their problems. Help centres are also functioning from the premises of Trade and Industry Association for this purpose. Department is also organizing seminars, trade awareness camps, meetings of Regional Advisory Committee, and Public Grievances Redressal Committee with the trade representatives, and undertaking publicity in media for educating taxpayers of service tax.