



Ministry of Finance

Carry Forward of unavailed Cenvat Credit in respect of assignment of right to use any natural resource under GST; Cenvat Credit Rules amended so as to provide that Cenvat credit in respect of such services which remains unavailed on the day immediately preceding the 'appointed day' may be availed of in full on that very day.

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Cenvat Credit Rules, 2004 provide that credit of Service Tax paid in a Financial Year, on the onetime charges payable in full upfront or in installments, for the service of assignment of the right to use any natural resource by the Government, local authority or any other person, shall be spread evenly over a period of three years.

Cenvat Credit Rules have been amended vide notification No. 15/2017-Central Excise (N.T.) dated 12.06.2017 so as to provide that Cenvat credit in respect of such services which remains unavailed on the day immediately preceding the 'appointed day' may be availed of in full on that very day. Appointed day means the day when Central GST comes into effect. The Amendment would enable service recipients to carry forward such unavailed credit of Service Tax under the GST regime. As a result Telecom Service Providers, who have been allotted Spectrum in auction conducted in 2016 and have already availed one third credit in respect of Service Tax paid by them, during 2016-17, would be eligible to take the remaining two thirds credit pertaining to 2016-17 in the GST regime, scheduled to roll-out on 1st July, 2017.

APS/SB

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