

**Press Information Bureau
Government of India
Ministry of Railways**

28-September-2012 19:32 IST

Levy of Service Tax on Railway Passengers Travelling in Ac Classes/First Class from 1st October 2012

No Service Tax to be Levied on Tickets Issued Prior to 1st October 2012

In Case of Cancellation of Tickets Issued on or after 1st October 2012, the Applicable Amount Including Service Tax to be Refunded by Railways

The Ministry of Railways has made partial modification in levy of Service Tax on the fare of passengers travelling in AC Classes/First Class from 1st October 2012. As per the corrigendum issued by Ministry of Railways today i.e. 28.9.2012, there are following changes:

- (i) Service Tax amounting to 3.708% on the total fare of passenger services in (a) AC First Class, (b) Executive Class, (c) AC-2 tier Class, (d) AC-3 tier class, (e) AC Chair Car class, (f) AC Economy class and (g) First Class is leviable **from the 1st day of October 2012**. It has been clarified that the Service Tax would be collected on the tickets issued/bookings **made on or after 01.10.2012**. Service Tax is **not leviable** on tickets issued **prior to 01.10.2012** and hence will not be collected on board the trains.
- (ii) In case of cancellation of tickets booked by the passengers on or after 01.10.2012, the applicable amount **including refundable Service Tax amount** will be refunded **by Railways** as per Railway refund rules and Finance Ministry guidelines.

AKS/HK/LK