

This note refers to point of taxation of '**Krishi Kalyan Cess (KKC)**

Determination of PTR will be as follows:

Event	Rule
For the purpose of these rules , unless otherwise provided	3
Change in effective rate	4
New Service	5
Continuous supply	6
Specified service or persons	7
Copyrights	8
Other cases	9

From the above it is amply clear that first rule of PTR is Rule 3, unless otherwise provided, Rule 3 shall apply to all cases other than those specified in the rule.

Therefore, new levy (KKC) will be covered under Rule 3, not under Rule 5. Further explanation to Rule 5 can not override Rule 3.

Another important issue not considered by the viewers in expressing their views with respect to 'sundry debtors' as on 31-05-16 is that in respect of such service, point of taxation has already been decided under Rule 3 of PTR and tax has already been paid, how point of taxation will be again determined under Rule 5 for the purpose of levy of **KKC**. Are there any provisions in the Act or Rules to determine the point of taxation of the same service twice?

In view of the above, **point of taxation under PTR of service provider** will be as under:

Provision of Service	Issuance of Invoice	Receipt of payment	Applicability of KKC
Before 01-06-16	Before 01-06-16	Before 01-06-16	NO
After 01-06-16	On or before 30-06-16	Before 01-06-16	NO

For service receiver – Rule 7 of the PTR

Provision of Service	Issuance of Invoice	Receipt of payment	Applicability of KKC
Before 01-06-16	Before 01-06-16	Before 01-06-16	NO
Before 01-06-16	Before 01-06-16	After 01-06-16	NO
Before 01-06-16	After 01-06-16	After 01-06-16	YES

Further, in rule 7 of PTR, the following amendment is made vide the Notification No.21/2016-ST dated 30-03-16

“Provided also that where there is change in the liability or extent of liability of a person required to pay tax as recipient of service notified under sub-section (2) of section 68 of the Act, in case service has been provided and the invoice issued before the date of such change, but payment has not been made as on such date, the point of taxation shall be the date of issuance of invoice.”.