

NEEDED URGENTLY – A COMPLETELY NEW ST-3 RETURN FORMAT Dated: – Oct 17, 2011

It has been quite a nightmare, over the past few days, to try and fit the situations that arise out of the [Point of Taxation Rules, 2011](#) ('POTR') into the good old ST-3 format. The fact remains that, this ST-3 format is completely inadequate to deal with the situation, post the POTR.

Here are some of the issues which cannot fit into the existing ST-3 format, viz.

- how are the details related to service tax payable in respect of 'continuous supply of services', in respect of output services like 'Construction of Complex services', 'Works Contract services' etc. to be shown in the ST-3 format?

- how are cases of reversal of cenvat credit in respect of invoices of service providers, which have not been paid within 3 months from the dates of these invoices and in respect of which, credit has been taken earlier on receipt of invoices

- issues related to transitional provisions, especially, with regard to invoices raised during the period prior to July 1, 2011

- how can details of services which have been deemed to have been completed but in respect of which, invoices are raised after 14 days, to be shown in the ST-3 return

- how can gross amounts against invoices in respect of which service tax has already been paid, be shown, in the ST-3 return

- how can details of cases, where service tax is payable on the basis of completion of the service but, in respect of which no invoice is raised or when invoice is raised after 14 days of the completion of the service, be shown in the ST-3 return.

These are but, some complicated situations, that cannot be fitted into the current ST-3 format.

Life was easy and so was filling and filing the ST-3 returns.... service tax being required to be paid on receipt basis and cenvat credit being allowed to be availed on payment basis.

With the [Point of Taxation Rules, 2011](#) ('POTR') completely changing the game and bringing in the concept of service tax to be paid on an accrual basis, the ST-3 return format would also have to undergo a complete revision, if not, a have a new avatar, to take care of the new requirements.

It is indeed amazing that the Board has not taken into account, these issues and introduced a revised or a new format of the ST-3 return.... especially, given the fact that, the POTR came into effect on April 1, 2011.

Time is clearly running out for the Board to come out with a new format.... even if this new format is to be released now, the assessee still need time to understand it and then fill in the figures.

May we then suggest that the Board should extend the time limit for the filing of the ST-3 return, as the assessee cannot be expected to do the impossible?