

EQUALISATION LEVY



SPECIFIED SERVICES

SERVICE

- Online advertisement
- Any provision for digital advertising space or any other facility or service for the purpose of online advertisement
- Any other service as may be notified by the central government in this behalf.

WHO WILL DEDUCT TAX - SERVICE RECEPIENT

- A resident in India, carrying on business or profession
- A non-resident having a permanent establishment in India

SERVICE PROVIDER

- A non-resident providing the specified services

NON-APPLICABILITY

- The non-resident providing specified service has a permanent establishment in India, and service is connected to such permanent establishment, or
- Where the specified service is not for the purpose of carrying out business or profession
- The aggregate amount of consideration < Rs 1 lakh in a FY

RATE

- 6% of the consideration

COLLECTION

- Service recipient to deduct tax and deposit the levy to the credit of the Central Government by the 7th of the month immediately following the calendar month in which it is deducted.

E-COMMERCE SUPPLY OF SERVICES

SERVICE

E-commerce supply of services i.e.:

- Online sale of goods owned by the e-commerce operator
- Online provision of services provided by the e-commerce
- Online sale of goods or provision of services or both, facilitated by the e-commerce operator
- Any combination of the above-mentioned activities

WHO WILL COLLECT TAX - SERVICE PROVIDER

- ‘E-commerce operator’: A non-resident who owns, operates or manages a digital or electronic facility or platform for online sales of goods or online provision of services, or both.

SERVICE RECEPIENT

E-commerce supply of services provided or facilitated by:

- A person resident in India
- Non-resident, where the:
 - Sale of advertising, which targets a customer who is resident in India, or a customer who accesses the advertising through an IP address located in India
 - Sale of data, collected from a person who is resident in India or from a person who uses an IP address located in India
 - Person who buys goods or services, or both, using an IP address located in India.

NON-APPLICABILITY

- E-commerce operator has a Permanent Establishment in India and the e-commerce supplies or services are effectively connected with such Permanent Establishment
- Transactions covered by the Equalisation Levy as explained above
- Where sales, turnover or gross receipts from e-commerce supplies or services is less than Rs 2 crores during the relevant tax year.

RATE

- 2% of the consideration

COLLECTION

- The e-commerce operator is required to deposit the levy to the credit of the Central Government on a quarterly basis

Quarter ending on	Due date
30 th June	7 th July
30 th September	7 th October
31 st December	7 th January
31 st March	31 st March

COMMON PROVISIONS

INTEREST ON DELAY

- Any delay in payment would be subject to simple interest at the rate of 1% on the delayed amount for every month or part of the month

SUBMISSION OF ANNUAL STATEMENT

- An annual statement to be submitted by 30 June following the year ending on 31 March.