

Course Code – COM (H) 226

Lecture 18



Service Tax Ledger

On August 1, 2012 Crystal Services (P) Ltd. received a purchase invoice (No.MA/4796) for Advertising services rendered by Ram Agency for Rs. 60,000 with Service Tax @ 12.36% (Total invoice amount Rs. 67,416)

Service Tax Ledger

Ledger	Under	Type of Duty/Tax	Tax Head
Service Tax @ 12%	Duties & Taxes	Service Tax	Service Tax
Education Cess @ 2%	Duties & Taxes	Service Tax	Education Cess
Secondary Education Cess @ 1%	Duties & Taxes	Service Tax	Secondary Education Cess

Ledger – Service Tax @ 12%

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

In the **Name** field, enter the name of the tax ledger you wish to create, for e.g., **Service Tax @ 12%**.

In the **Under** field, select **Duties & Taxes** as Group.

In the **Type of Duty/Tax** field, select **Service Tax** from Type of Duty/Tax list.

In the **Tax Head** field, select **Service Tax**

Set the option **Inventory values are affected** to **No**

Press **Enter** to save.

Ledger – Education Cess @ 2%

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

In the **Name** field, enter the name of the tax ledger you wish to create, for e.g., **Service Tax @ 2%**.

In the **Under** field, select **Duties & Taxes** as Group.

In the **Type of Duty/Tax** field, select **Service Tax** from Type of Duty/Tax list.

In the **Tax Head** field, select **Education Cess**

Set the option **Inventory values are affected** to **No**

Press **Enter** to save.

Ledger – Secondary Education Cess @ 2%

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

In the **Name** field, enter the name of the tax ledger you wish to create, for e.g., **Service Tax @ 1%**.

In the **Under** field, select **Duties & Taxes** as Group.

In the **Type of Duty/Tax** field, select **Service Tax** from Type of Duty/Tax list.

In the **Tax Head** field, select **Secondary Education Cess**

Set the option **Inventory values are affected** to **No**

Press **Enter** to save.

Purchase Ledger – Service Tax

On August 1, 2012 Crystal Services (P) Ltd. received a purchase invoice (No.MA/4796) for Advertising services rendered by Ram Agency for Rs. 60,000 with Service Tax @ 12.36% (Total invoice amount Rs. 67,416)

Purchase Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Ledger – Advertisement Services	Purchases Accounts	Yes	Taxable Service

Purchase Ledger – Service Tax

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

In the **Name** field, enter **Purchase - Advertisement Services** as the **Ledger Name**

Select **Purchase Accounts** in **Under** field

Set **Inventory values are affected** to **No**

Set the option **Is Service Tax Applicable** to **Yes**

In the **Default Service Category** field, select **Taxable Service** from the **List of Service Categories**

Press **Enter** to save.

Sales Ledger – Service Tax

On August 5, 2012 Crystal Services (P) Ltd. raised a sales invoice (No.CS/5621) for Event Management Services rendered to Siesta Advertisers for Rs.7,50,000 with Service Tax @ 12.36% (Total invoice amount Rs. 8,42,700)

Sales Ledger

Ledger	Under	Is Service Tax Applicable	Default Service Category
Sale – Event Services	Sales Accounts	Yes	Taxable Service

Sales Ledger – Service Tax

Go to **Gateway of Tally > Accounts Info. > Ledgers > Create**

In the Name field, enter **Sales - Event Mgt Services** as the **Ledger Name**

Select **Sales Accounts** in **Under** field

Set **Inventory values are affected** to **No**

Set the option **Is Service Tax Applicable** to **Yes**

In the **Default Service Category** field, select **Taxable Service** from the **List of Service Categories**.

Press **Enter** to save.

Thank You