

## **TAX ME!**

**(S. Jaikumar, Advocate)**

After one of his recent budgets, a shrewd reporter flicked our FM by asking why he did not impose service tax on advocates? He further embarrassed by asking is it because both he and his wife are themselves illustrious advocates? Our quick witted FM shot back saying that he is yet to come across an advocate doing any "service" to attract any service tax. Every year, when the Budget is round the corner, speculations go haywire as to the new levies and legal profession is always among the "TOP 5" speculations! To resist any such possible levy, it has become a custom that most of the Bar Associations across the country, "boycott" the courts for a day, to show their token protest. But somehow, our advocate fraternity has managed to escape from the tentacles of the service tax, till date!

I, as a practicing advocate, personally feel, when the services of a Chartered Accountant and a Cost Accountant are taxed, there is no rhyme or reason that the advocates need any immunity from the levy. No doubt, advocacy is a noble profession but other professions are no less! So, my sincere request to our beloved FM is to consider imposing service tax on advocates in this Budget and treat us at par with the other professionals in the country. After all, any advocate who earns more than 8 lakhs in a year, can definitely afford to pay the service tax.

Similarly, hospitals and doctors are another potential fish for the service tax net. Today health care is an area where there is enormous money. The way the hospitals bill you with their sophisticated .....grams, .....scopies and .....meters is an astronomical ransom and mind boggling bounties, that today, these star hospitals are worth to be brought into the net, maybe with a higher threshold limit. Similarly, in an era of specialization, the doctors are also very affluent that they don't need any mercy, over and above the threshold limit of 8 lakhs per annum.

Another big shark is the film industry. We all know the money that spins in the tinsel world. Though there can be an argument that the cinema industry is not that organized to take the levy, it can never be an excuse. Even if a percentage of the

money involved is tapped, it would be nothing less than a bounty and would serve the purpose of the levy.

Finally, to the software industry. I am really at a loss to understand as to the soft corner shown to the software industry. True. Software has been our forex spinner for more than a decade and for that we had reciprocated equally by exempting them from the levy for so long. I think its time to bring in the industry under the tax net by removing the immunity under the "consulting engineers".

Leaving such big sharks and whales from the net, our policy makers, by imposing service tax on "pandal and shamiana, dry cleaners and mandap keepers are trying to grab the petty fishes, which only reminds me of the famous maxim "Penny wise....."

### **Before parting...**

I am also not able to understand the wisdom behind imposing service tax on the residential complexes having more than 12 units. I recently read that in Mumbai, a flat having 11 floors of which there are only luxury 11 apartments, costing 8 crores each. By the present definition, that billionaire diva who buys that flat would be out of the service tax but our poor Govindan, buying a single bed room flat for 550 sft in a cluster of 250 flats would pay service tax!!! Instead of having the 12 unit slab, would it not be better to impose tax on the area of the flat, like taxing the flats which are more than 1000 sft ???