

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
QUESTION NO 26.07.2010
ANSWERED ON
IMPOSITION OF WINDFALL TAX ON MINING .

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Shri Pyarimohan Mohapatra

Will the Minister of RURAL DEVELOPMENT INFORMATION AND BROADCASTING MINES be pleased to state :-

(a) whether, in regard to the Ministry's proposal for levying windfall tax, any study has been made regarding the imposition of such tax elsewhere in the world and the impact thereof on mining and other industries and if so, the details thereof;

(b) if such a tax is to be levied, the proposed share of the State and the Centre therein; and

(c) whether Government would consider an automatic increase in the rates of royalty for various price slabs of minerals instead of imposing windfall tax?

ANSWER

THE MINISTER OF MINES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B. K. HANDIQUE)

(a) and (b): The Ministry of Mines had examined the system of windfall tax or other such similar taxes in the countries like Kazakhstan, Mongolia, Zambia, Ghana, Peru and Australia while preparing a proposal for imposition of windfall Tax on iron ore mining in the country. Issues relating to modalities of the system cannot be specified since the proposal is still at a preliminary stage.

(c): The rates of royalty for minerals (other than minor mineral, coal & lignite, sand for stowing and uranium) had been revised on 13.8.2009 and as per the Mines and Minerals (Development and Regulation) Act, 1957, the next upward revision of royalty rates is due only after three years. ...