

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

RAJYA SABHA

UNSTARRED QUESTION NO. 223

TO BE ANSWERED ON TUESDAY THE 26th APRIL, 2016
VAISAKHA 6, 1938 (SAKA)

SWACHH BHARAT CESS ON TAXABLE SERVICES

223. SHRI HUSAIN DALWAI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Ministry has decided to levy a Swachh Bharat Cess and Krishi Kalyan cess on taxable services;
- (b) will the cess be levied on amount of service charged or on amount of tax on service charged;
- (c) how much time Ministry will take to approximately raise through this cess in the financial years 2015-16 and 2016-17;
- (d) for what purpose will the amount collected under the cess be utilised; and
- (e) in what proportion will the amount of cess collected to be shared with the States?

A N S W E R

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a): (i) Swachh Bharat Cess has been imposed as service tax on all taxable services (other than the services in the negative list or services exempted from whole of service tax by a notification) at the rate of 0.5% per cent on the value of such services, for the purposes of financing and promoting Swachh Bharat initiatives or for any other purposes relating thereto.

(ii) the proposal for levy of Krishi Kalyan Cess on taxable services at the rate of 0.5% is under consideration of the Parliament vide Finance Bill, 2016.

(b): The cess will be levied on amount of service charged.

(c):

S.No.	Cess	2015-16 (Revised Estimates)	2016-17 (Budget Estimates)
1.	Swachh Bharat Cess	Rs 3,750/ Crore	Rs 10,000/ Crore
2.	Krishi Kalyan Cess	---	Rs 5,000/ Crore

(d): (i) The Swachh Bharat Cess will be utilized for the purposes of financing and promoting Swachh Bharat initiatives or for any other purposes relating thereto.

(ii) The Krishi Kalyan Cess will be utilized for the purposes of financing and promoting initiatives to improve agriculture or for any other purpose relating thereto.

(e): Funds collected under Swachh Bharat Cess will be distributed between the two Sub-Missions i.e. Swachh Bharat Mission (Gramin) and Swachh Bharat Mission (Urban) in the ratio of 80:20 respectively and utilized as per the guidelines and components of Swachh Bharat Mission (Gramin) and Swachh Bharat Mission (Urban). 3% of total funds will be utilized at Central level for Information Education and Communication (IEC) under Swachh Bharat Mission (Gramin). As per Swachh Bharat Mission (Urban) guidelines, States to contribute a minimum of 25% funds towards all components to match 75% Central Share. This is 10% in the case of North East and Special category States.
