

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-531**  
ANSWERED ON – 07.02.2023

TAX ON TOBACCO PRODUCTS

531. DR. ANBUMANI RAMADOSS:

Will the Minister of **FINANCE** be pleased to state:-

- (a) whether the Union Government will increase tax or compensation fees for all the tobacco products including beedis (smoking and chewing tobacco);
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Union Government has any proposal for levying separate Cess for beedi so that the money collected under Cess can be used for the welfare of beedi workers, social security schemes, other welfare schemes, health etc.; and
- (d) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) and (b): The duty of excise on tobacco products are reviewed in the budget taking all relevant aspects into account. Vide clause 153 of the Finance Bill, 2023, it is proposed to amend the Seventh Schedule to the Finance Act, 2001, to increase the rate of National Calamity Contingent Duty (NCCD), a duty of excise, on specified cigarettes by about 16%. There is no proposal for other tobacco products including beedis. As regards the GST rates/Compensation Cess rate, it is prescribed on the recommendation of the GST Council, which is a constitutional body comprising of representatives from the States/UTs and Centre. At present, there is no recommendation from the GST Council in this regard.

(c) and (d): With the rollout of GST regime, the Bidi Workers' Welfare Cess Act, 1976, has been repealed vide the Taxation Laws (Amendment) Act, 2017.

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