

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
STARRED QUESTION NO *55
ANSWERED ON – 25.07.2023

COLLECTION OF TAXES FROM TOBACCO AND ALLIED PRODUCTS

*55. SMT. SULATA DEO:

Will the Minister of **Finance** be pleased to state:

- (a) the share of taxes collected from tobacco and allied products in the Gross Tax Revenue of Government for the financial year 2022-23;
- (b) whether the share has been increased from the previous financial year;
- (c) the States/UTs from which maximum taxes have been collected in lieu of the said products; and
- (d) whether Government seeks to divert a part of the proceeds towards the development of the healthcare sector?

ANSWER

MINISTER OF FINANCE
SHRIMATI NIRMALA SITHARAMAN

(a) to (d): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE RAJYA SABHA STARRED QUESTION NO. 55 RAISED BY SMT. SULATA DEO FOR 25TH JULY, 2023, ON COLLECTION OF TAXES FROM TOBACCO AND ALLIED PRODUCTS:

(a): The share of taxes [inclusive of GST, Compensation Cess, Basic Excise Duty, and National Calamity Contingent Duty (NCCD)] collected from Tobacco and Tobacco products covered under Tariff Headings 2401, 2402, 2403 and Pan Masala in the Gross Tax Revenue (Revised Budget Estimates for FY 2022-23) for the financial year 2022-23 is around 2.39%.

(b): The share in Gross Tax Revenue for FY 2022-23 (Revised Budget Estimates for FY 2022-23) in comparison to Gross Tax Revenue for FY 2021-22 (Actual Budget figures for FY 2021-22) has increased by 0.1%.

(c): In FY 2022-23, the States from which maximum taxes have been collected from the said products includes Uttar Pradesh, Karnataka and Maharashtra.

(d): Taxes collected from tobacco and allied products, similar to taxes collected from other sources, form part of the overall Gross Tax Revenues (GTR) of the Government of India and are used to fund all schemes and programmes of the Government. In Budget 2023-24, an amount of ₹86,175 Crores has been allocated to fund the requirements of the Department of Health and Family Welfare. This will be met from both capital and revenue receipts of the Government of India.
