HEALTH TAX ON TOBACCO PRODUCTS

1823. SHRI BHUBANESWAR KALITA:

Will the Minister of Finance be pleased to state:
(a) whether Government has introduced a Health tax on tobacco products as recommended by the Parliamentary Committee on Health & Family Welfare; and
(b) if so, by when Government will start the Health tax collection for allocation to NCD/Cancer Care Fund, the details thereof?

ANSWER

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

(a): Currently, tobacco products attract GST at the highest GST rate of 28%. In addition, specified tobacco products also attract Basic Excise duty, National Contingent Calamity duty (NCCD) and GST Compensation Cess. In Union Budget 2023-24, the rate of National Calamity Contingent Duty (NCCD) levied as a duty of excise was increased on specified cigarettes by about 16%.

(b): No such proposal is under consideration. The taxes collected from tobacco products, as for most other taxes, 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 including those administered by Department of Health and Family Welfare.

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