

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

RAJYA SABHA
STARRED QUESTION NO. 145
ANSWERED ON 09.12.2024

TAXES AND SURCHARGES LEVIED ON PETROLEUM AND NATURAL GAS

145 DR. V. SIVADASAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the rates of taxes and surcharges imposed by Government on petroleum products, the details for the last five years;
- (b) the amount of taxes and surcharges collected by Government on petroleum products during the last five years, year-wise and State-wise; and
- (c) whether Government has any plan to reduce the tax rates to lower the high prices of petroleum products?

ANSWER

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)

- (a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. 145 FOR REPLY ON 09.12.2024 REGARDING TAXES AND SURCHARGES LEVIED ON PETROLEUM AND NATURAL GAS ASKED BY DR. V. SIVADASAN:

(a): The details of tax imposed on Petrol, Diesel and LPG are as follows:-

Petrol & Diesel:

The Union Government levies Central Excise/Cess on petrol/ diesel, while the State Governments levy VAT. The details of taxes imposed on petrol and diesel are at Annexure-I.

LPG: The rates of Customs duty and GST applicable on LPG are as below:

Particulars		GST	Customs Duty
LPG	Domestic *	5%	Nil
	Non - Domestic	18%	5%

*Basic Customs duty is Nil for import of domestic LPG sold by PSU OMCs to household consumers. Basic Customs duty rate is 5% for other importers of domestic LPG.

Source: Petroleum Planning and Analysis Cell (PPAC)

(b): The details of contribution of petroleum sector to exchequer since 2019-20 are at Annexure-II. The details of State wise collection of Sales Tax/ VAT and SGST/UTGST on POL products since 2019-20 are given at Annexure-III & IV respectively.

(c): Central Government reduced the Central Excise duty on petrol and diesel by Rs. 5 and Rs. 10 per litre effective from 4 November, 2021 and Rs. 8 and Rs. 6 per litre respectively effective from 22 May, 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March, 2024, OMCs also reduced the retail prices of petrol and diesel by Rs. 2 per litre each, across the country. As a result, retail prices of petrol and diesel have come down to Rs. 94.77 and Rs. 87.67 per litre in November 2024 respectively.

Government of India also took several other steps to insulate common citizens from high international prices, which included diversifying the crude import basket, invoking the provisions of Universal Service Obligation to ensure availability of petrol & diesel in domestic market, increasing the blending of ethanol in petrol, etc.

Recently PSU OMCs have carried out intra-state freight rationalisation. This has benefitted consumers located at remote areas, far from Petroleum Oil & Lubricants (POL) Depots in form of reduced Petrol and Diesel prices in remote parts within the states. This initiative has also reduced the difference between the maximum and minimum retail prices of Petrol or Diesel within a state.

Annexure-I

Annexure referred to in reply to Rajya Sabha Starred Question No. 145 asked by Dr. V. Sivadasan to be answered on 09.12.2024 regarding “Taxes and Surcharges levied on Petroleum and Natural Gas”.

Details of VAT /Sales tax on petrol and diesel as on 05.12.2024

State/UT	Petrol	Diesel
Andaman & Nicobar Islands	1%	1%
Andhra Pradesh	31% VAT + Rs.4/litre VAT+Rs.1/litre Road Development Cess and Vat thereon	22.25% VAT + Rs.4/litre VAT+Rs.1/litre Road Development Cess and Vat thereon
Arunachal Pradesh	14.50%	7.00%
Assam	24.77% or Rs.18.80 per litre whichever is higher	22.19% OR Rs. 14.60 per litre whichever is higher Rebate of Rs. 1.50 per litre subject to minimum tax of Rs. 14.60 per litre
Bihar	23.58% or Rs 16.65/Litre whichever is higher (30% Surcharge on VAT as irrecoverable tax)	16.37% or Rs 12.33/Litre whichever is higher (30% Surcharge on VAT as irrecoverable tax)
Chandigarh	Rs.10/KL cess +15.24% or Rs.12.42/Litre whichever is higher	Rs.10/KL cess + 6.66% or Rs.5.07/Litre whichever is higher
Chhattisgarh	24% VAT + Rs.2/litre VAT	23% VAT + Rs.1/litre VAT
Dadra and Nagar Haveli and Daman and Diu	12.75% VAT	13.50% VAT
Delhi	19.40% VAT	Rs.250/KL air ambience charges + 16.75% VAT
Goa	21.5% VAT + 0.5% Green cess	17.5% VAT + 0.5% Green cess
Gujarat	13.7% VAT+ 4% Cess on Town Rate & VAT	14.9% VAT + 4 % Cess on Town Rate & VAT
Haryana	18.20% or Rs.14.50/litre whichever is higher as VAT+5% additional tax on VAT	16.00% VAT or Rs.11.86/litre whichever is higher as VAT+5% additional tax on VAT
Himachal Pradesh	17.5% or Rs 13.50/Litre- whichever is higher	13.90% or Rs 10.40/Litre- whichever is higher
Jammu & Kashmir	24% MST+ Rs.2/Litre employment cess, Rebate of Rs.4.50/Litre	16% MST+ Rs.1.00/Litre employment cess , Rebate of Rs.6.50/Litre
Jharkhand	22% on the sale price or Rs. 17.00 per litre , which ever is higher + Cess of Rs 1.00 per Ltr	22% on the sale price or Rs. 12.50 per litre , which ever is higher + Cess of Rs 1.00 per Ltr
Karnataka	29.84% sales tax	18.44% sales tax
Kerala	30.08% sales tax+ Rs.1/litre additional sales tax + 1% cess , Social security cess Rs.2 per litre	22.76% sales tax+ Rs.1/litre additional sales tax + 1% cess , Social security cess Rs.2 per litre
Ladakh	15% MST+ Rs.5/Litre employment cess, Reduction of Rs.2.5/Litre	6% MST+ Rs.1/Litre employment cess , Reduction of Rs.0.50/Litre
Lakshadweep	10% VAT	10% VAT
Madhya Pradesh	29 % VAT + Rs.2.5/litre VAT+1%Cess	19% VAT+ Rs.1.5/litre VAT+1% Cess
Maharashtra	25% VAT+ Rs.5.12/Litre additional tax	21% VAT

Manipur	25% VAT	13.5% VAT
Meghalaya	13.50% or Rs13.50/Litre- whichever is higher (Rs.0.10/Litre pollution surcharge)	5% or Rs 9.50/Litre- whichever is higher (Rs.0.10/Litre pollution surcharge)
Mizoram	18%, Social Infrastructure and Services Cess Rs 2000/KL, Road Maintenance Cess Rs 2000/KL	10%, Social Infrastructure and Services Cess Rs 2000/KL, Road Maintenance Cess Rs 2000/KL
Nagaland	21.75% VAT or Rs. 16.94/litre whichever is higher	17.20% VAT or Rs. 12.83/litre whichever is higher
Odisha	28% VAT	24% VAT
Puducherry	14.55% VAT	8.65% VAT
Punjab	Rs.2050/KL (cess)+ Rs.0.10 per Litre (Urban Transport Fund) + 0.25 per Litre (Special Infrastructure Development Fee)+16.58% VAT plus 10% additional tax or Rs.14.93/Litre whichever is higher	Rs.1050/KL (cess) + Rs.0.10 per Litre (Urban Transport Fund) +0.25 per Litre (Special Infrastructure Development Fee) + 13.1% VAT plus 10% additional tax and or Rs.10.94/Litre whichever is higher
Rajasthan	29.04% VAT+Rs 1500/KL road development cess	17.30% VAT+ Rs.1750/KL road development cess
Sikkim	20% VAT+ Rs.4000/KL cess	10% VAT + Rs.3500/KL cess
Tamil Nadu	13% + Rs.11.52 per litre	11% + Rs.9.62 per litre
Telangana	35.20% VAT	27% VAT
Tripura	17.50% VAT+ 3% Tripura Road Development Cess	10.00% VAT+ 3% Tripura Road Development Cess
Uttar Pradesh	19.36% or Rs 14.85/Litre whichever is higher	17.08% or Rs 10.41/Litre whichever is higher
Uttarakhand	16.97% or Rs 13.14 Per Ltr whichever is greater	17.15% or Rs Rs 10.41 Per Ltr whichever is greater
West Bengal	25% or Rs.13.12/litre whichever is higher as sales tax+ Rs.1000/KL cess(20% Additional tax on VAT as irrecoverable tax)	17% or Rs.7.70/litre whichever is higher as sales tax + Rs 1000/KL cess (20% Additional tax on VAT as irrecoverable tax)

Source: Petroleum Planning & Analysis Cell (PPAC)

Central Excise duty rates on Petrol and Diesel

(Rs. per Litre)

Effective Date	Petrol*	Diesel
As on 01.04.2019	17.98	13.83
06.07.2019	19.98	15.83
14.03.2020	22.98	18.83
06.05.2020	32.98	31.83
02.02.2021	32.90	31.80
04.11.2021	27.90	21.80
22.05.2022	19.90	15.80

*An additional Basic Excise duty @Rs 2/ltr has been levied on unblended petrol (not blended with ethanol or methanol) intended for retail sale w.e.f. 01.11.2022.

Note: The customs duty rate on Petrol and diesel is 2.5% plus social welfare surcharge @ 10% on customs duty since 2nd Feb 2021. Prior to this, the Social welfare surcharge /cess was levied @ 3% on custom duty of 2.5% on petrol and diesel.

Annexure-II

Annexure referred to in reply to Rajya Sabha Starred Question No. 145 asked by Dr. V. Sivadasan to be answered on 09.12.2024 regarding “Taxes and Surcharges levied on Petroleum and Natural Gas”.

Contribution of petroleum sector to exchequer

(Rs. in Crore)

Particulars		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (Apr-Sep) (P)
Contribution to Central Exchequer							
	A. Tax/ Duties on Crude oil & Petroleum products						
	Cess on Crude Oil	14,789	10,676	19,214	21,445	19,580	7,769
	Royalty on Crude Oil / Natural Gas	5,602	3,590	5,639	9,822	9,286	4,675
	Customs Duty	22,927	13,514	11,423	14,985	13,134	6,696
	NCCD on Crude Oil	1,130	1,016	1,121	1,192	1,191	578
	Excise Duty	2,23,057	3,72,970	3,63,305	2,87,575	2,73,684	1,22,507
	Service tax	17	1	-	-	-	-
	IGST	13,099	11,594	19,726	22,236	20,930	10,364
	CGST	6,831	6,158	10,843	13,012	12,230	5,523
	Others	88	365	338	59	51	23
	Sub Total (A)	2,87,540	4,19,884	4,31,609	3,70,326	3,50,086	1,58,135
	B. Dividend to Government/ Income tax etc.						
	Corporate/ Income Tax	23,134	21,909	29,219	33,292	57,493	19,053
	Dividend income to Central Govt.	12,270	10,393	22,612	15,673	19,310	4,294
	Dividend distribution tax	5,462	-	-	-	-	-
	Profit Petroleum on exploration of Oil/ Gas	5,909	2,883	8,862	8,776	5,505	1,837
	Sub Total (B)	46,775	35,185	60,694	57,741	82,308	25,184
	1. Total Contribution to Central Exchequer (A+B)	3,34,315	4,55,069	4,92,303	4,28,067	4,32,394	1,83,319
	2. Total Contribution to State Exchequer	2,21,055	2,17,650	2,82,122	3,20,651	3,18,762	1,55,866
	Total Contribution of Petroleum Sector to Exchequer (1+2)	5,55,370	6,72,719	7,74,425	7,48,718	7,51,156	3,39,185

The above is based on data provided to Petroleum Planning and Analysis Cell (PPAC) by 15 major oil & gas companies. The amount reported by the companies to PPAC is the consolidated amount of all taxes/cess/ duties /GST etc. for crude oil and petroleum products. (P) - Provisional

Annexure-III

Annexure referred to in reply to Rajya Sabha Starred Question No. 145 asked by Dr. V. Sivadasan to be answered on 09.12.2024 regarding “Taxes and Surcharges levied on Petroleum and Natural Gas”.

State wise collection of Sales Tax/ VAT on POL products

(Rs. in Crore)

State/UT	2019-20	2020-21	2021-22	2022-23	2023-24 (P)	2024-25 (Apr-Sep) (P)
Andaman & Nicobar Islands	93.9	73.6	80.3	63.2	55.3	29.0
Andhra Pradesh	10,167.6	11,013.5	14,724.2	16,428.6	16,688.0	7,973.6
Arunachal Pradesh	26.4	104.2	135.9	158.1	176.7	96.1
Assam	3,641.0	3,747.1	3,901.2	5,073.1	5,669.5	2,979.6
Bihar	6,238.1	5,854.1	6,866.9	9,848.4	9,359.9	4,183.5
Chandigarh	60.1	60.1	86.8	99.4	97.2	49.2
Chhattisgarh	3,876.9	4,107.1	5,178.1	6,163.9	6,383.1	2,953.3
Dadra & Nagar Haveli and Daman & Diu	1.8	1.3	1.7	0.5	0.6	0.4
Delhi	3,832.8	2,652.6	3,658.7	4,398.1	4,002.1	2,289.8
Goa	753.6	681.5	993.6	1,278.1	1,182.7	617.2
Gujarat	15,337.1	15,140.8	20,697.0	24,631.2	23,604.9	12,444.8
Haryana	7,648.1	7,923.1	10,066.7	10,029.6	9,922.0	5,188.6
Himachal Pradesh	440.4	882.5	1,313.1	1,222.4	1,529.6	831.8
Jammu & Kashmir	1,459.0	1,443.5	1,858.9	1,542.6	1,621.4	862.7
Jharkhand	3,296.5	3,619.4	4,392.2	5,532.5	5,876.2	2,561.0
Karnataka	15,380.9	15,476.2	18,310.2	18,458.7	20,030.0	10,956.6
Kerala	8,074.2	6,923.8	9,264.8	11,827.4	12,240.5	5,223.6
Ladakh	14.2	49.4	81.4	67.7	77.3	45.9
Lakshadweep	-	-	-	3.3	19.1	8.4
Madhya Pradesh	10,719.5	11,907.8	14,157.2	15,573.2	15,038.4	6,991.3
Maharashtra	26,791.0	25,430.1	34,002.4	37,619.0	36,359.3	18,249.6
Manipur	192.3	264.6	318.6	330.7	263.6	134.7
Meghalaya	-	-	-	-	-	-
Mizoram	90.8	84.4	119.7	86.8	96.9	56.9
Nagaland	115.6	148.4	179.8	168.5	173.0	89.8
Odisha	5,495.0	6,224.2	7,655.5	9,328.3	9,761.5	4,374.4
Puducherry	4.9	9.7	10.6	8.5	0.7	0.1
Punjab	5,547.8	6,291.4	7,889.7	6,900.0	7,834.4	4,100.0
Rajasthan	13,319.1	15,118.6	17,401.4	18,573.7	19,235.7	9,288.6
Sikkim	129.1	110.5	155.4	179.4	186.1	93.1
Tamil Nadu	18,174.9	17,063.2	20,586.2	24,309.2	24,470.8	12,045.9
Telangana	10,045.4	8,690.8	13,170.9	14,928.9	15,159.5	7,800.2
Tripura	384.0	444.6	473.9	624.5	578.4	214.0
Uttar Pradesh	20,111.7	21,955.8	26,333.2	28,170.2	30,411.4	14,089.0
Uttarakhand	1,494.6	1,523.8	1,846.5	2,072.7	2,390.2	1,124.6
West Bengal	7,534.4	7,915.7	10,335.4	12,385.9	12,220.5	5,640.8

Source: Petroleum Planning & Analysis Cell (PPAC) (P): Provisional

Annexure-IV

Annexure referred to in reply to Rajya Sabha Starred Question No. 145 asked by Dr. V. Sivadasan to be answered on 09.12.2024 regarding “Taxes and Surcharges levied on Petroleum and Natural Gas”.

State wise collection of SGST/UTGST on POL products

(Rs. in Crore)

State/UT	2019-20	2020-21	2021-22	2022-23	2023-24 (P)	2024-25 (Apr-Sep) (P)
Andaman & Nicobar Islands	0.3	0.3	1.0	0.7	0.5	0.3
Andhra Pradesh	155.9	111.8	203.5	289.9	310.3	138.8
Arunachal Pradesh	0.1	0.3	0.3	0.6	0.8	0.5
Assam	475.3	331.8	414.0	445.0	364.2	168.8
Bihar	144.5	121.8	146.9	210.5	202.9	75.0
Chandigarh	1.0	1.0	1.2	1.9	1.3	0.7
Chhattisgarh	9.4	14.3	26.1	29.8	39.5	9.7
Dadra & Nagar Haveli and Daman & Diu	20.1	20.5	14.7	41.2	17.9	15.3
Delhi	51.0	36.7	53.8	56.2	71.6	64.3
Goa	9.2	10.6	14.6	9.6	18.1	1.9
Gujarat	1,800.8	1,566.2	3,179.9	3,921.9	3,343.5	1,474.8
Haryana	684.8	528.8	1,064.1	1,118.6	1,032.9	519.7
Himachal Pradesh	4.3	5.8	8.0	18.1	8.4	3.6
Jammu & Kashmir	16.7	39.5	35.2	24.1	26.5	9.5
Jharkhand	15.8	11.9	10.3	28.7	38.4	8.2
Karnataka	268.5	260.2	461.2	576.9	436.5	205.0
Kerala	170.9	136.5	254.7	332.7	314.7	165.1
Ladakh	0.8	0.7	1.0	5.6	1.1	0.7
Lakshadweep	0.2	-	0.7	-	0.0	0.0
Madhya Pradesh	98.4	67.6	116.9	173.6	174.8	67.0
Maharashtra	1,126.4	932.5	1,822.4	2,101.5	1,935.4	811.0
Manipur	1.5	1.6	1.8	2.1	2.3	0.9
Meghalaya	0.4	0.1	0.2	0.3	0.1	0.1
Mizoram	1.3	0.5	0.4	0.5	0.6	0.3
Nagaland	0.6	0.5	0.6	0.8	0.7	0.4
Odisha	192.4	195.0	420.7	578.9	587.3	243.6
Puducherry	1.0	1.2	1.3	4.0	4.5	2.9
Punjab	128.2	43.2	345.8	257.5	297.7	117.1
Rajasthan	175.6	144.5	196.3	259.7	423.6	146.2
Sikkim	0.4	0.3	0.5	0.4	0.5	0.3
Tamil Nadu	561.9	439.2	640.3	860.6	768.8	375.0
Telangana	20.6	22.4	44.8	32.8	58.7	22.4
Tripura	17.5	38.3	16.9	23.0	24.2	14.0
Uttar Pradesh	619.2	603.0	826.8	859.3	957.6	456.2
Uttarakhand	6.9	8.2	7.4	7.9	6.7	8.4
West Bengal	553.3	417.6	673.6	897.5	767.7	407.2

Source: Petroleum Planning & Analysis Cell (PPAC) (P): Provisional