Government of India
Ministry of Finance
Department of Revenue
RAJYA SABHA
STARRED QUESTION NO. *18
ANSWERED ON-21/07/2026

SHARE OF CESSES AND SURCHARGES IN THE GROSS TAX REVENUE

*18 SHRI AJAY MAKAN:

Will the Minister of Finance be pleased to state:

(a) the amount collected through cesses and surcharges in each of the last three financial years and their share in the gross tax revenue of the Union;

(b) whether such cesses and surcharges do not form part of the divisible pool of taxes shared with the States;

(c) whether Government has received representations from State Governments regarding the rising share of cesses and surcharges; and

(d) the response of Government thereto?

ANSWER

THE MINISTER OF FINANCE

(SMT. NIRMALA SITHARAMAN)

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

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Statement referred to in reply to RAJYA SABHA Starred Question No. *18 for answer on 21st July 2026 raised by Shri Ajay Makan regarding "Share of cesses and surcharges in the gross tax revenue".

(a) Year-wise detail of collections from Surcharges and Cesses and their share in the gross tax revenue of the Union during the last three financial year(s) is enclosed as **Annexure 'A'.**

(b) Taxes levied and distributed between the Union and the States are governed by Article 270(1) of the Constitution of India. This Article exempts cesses and surcharges from distribution between the Union and the States and hence do not form part of the divisible pool.

(c) and (d): During the consultations of the 16th Finance Commission with States, the States shared their views on vertical devolution, which are presented in Paragraphs 7.36 to 7.41 of Chapter 7, Volume I of the Finance Commission Report. The detailed record of these consultations is available at Annexure 1.7 of Volume II of the Report. The Commission has recommended retaining the States' share in the divisible pool at its current level, and the Government has no proposal to amend the existing Constitutional provisions relating to taxation. Further, cesses are primarily utilized to finance Centrally Sponsored Schemes (CSS), which are implemented by State Governments. For instance, schemes such as Samagra Shiksha, National Health Mission, and Pradhan Mantri Uchchtar Shiksha Abhiyan are funded through the proceeds of the Health and Education Cess. Similarly, schemes like Pradhan Mantri Gram Sadak Yojana and Rashtriya Krishi Vikas Yojana are financed through the Central Road and Infrastructure Cess and the Agriculture Infrastructure and Development Cess, respectively.

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Annexure-A

Statement showing details of Cesses & surcharges levied and collected as part of principal taxes

(₹ *crore*)

Sl. No.	Name of the levy and tax receipt heads	2022-23	2023-24	2024-25	RE 2025-26	BE 2026-27
	CESSES IN OPERATION:					
1	Agriculture Infrastructure & Development Cess	74142.03	80923.60	75455.06	81580.00	85440.00
2	Cess on Crude oil	21497.14	18803.41	17931.29	15810.00	16210.00
3	Cesses on Exports	852.44	-3.19	9.05	10.00	10.00
4	Goods & Services Tax Compensation Cess	125862.41	141436.16	150569.84	88000.00	0.00
5	Health Cess	24.01	22.90	0.14	0.00	0.00
6	Health & Education Cess	61809.29	71156.96	84337.16	90000.00	100000.00
7	National Calamity Contingent Duty	7168.30	7812.25	8341.22	10140.00	10910.00
8	Road and Infrastructure Cess*	59234.95	44552.49	44679.82	45780.00	46930.00
9	Health Security *se* National Security Cess	0.00	0.00	0.00	2330.00	14000.00
A.	**Total (1 to 9)**	**350590.57**	**364704.58**	**381323.58**	**333650.00**	**273500.00**
	CESSES NOT IN OPERATION:					
10	Primary Education Cess	3.18	1.11	1.54	0.00	0.00
11	Secondary & Higher Education Cess	1.45	0.53	0.41	0.00	0.00
12	Clean Energy Cess	19.75	0.00	0.00	0.00	0.00
13	Krishi Kalyan Cess	6.02	2.36	0.94	0.00	0.00
14	Swachh Bharat Cess	7.98	5.16	1.58	0.00	0.00
15	Infrastructure Cess	0.00	0.00	0.00	0.00	0.00
16	Other Cesses Collected Under Union Excise Duties(Cess on Jute, Cess on Salt, Cess on Bidi, Cess on Tobacco, Cess on Sugar, Cess on Automobiles, others)	0.41	-21.78	-4.69	0.00	0.00

17	Cesses Under Other Taxes and Duties on Commodities and services (Water Cess, Research & Development Cess, Other Cess)	-141.83	-4.32	0.00	0.00	0.00
B.	Total (10 to 17)	**-103.04**	**-16.94**	**-0.22**	**0.00**	**0.00**
	Grand Total (A+B)	**350487.53**	**364687.64**	**381323.36**	**333650.00**	**273500.00**
	As % of gross tax revenue	**11.5**	**10.5**	**10.0**	**8.2**	**6.2**
	** Includes additional duty of excise on petrol and diesel, which were known as 'road cess' before introduction of 'road and infrastrucure cess'.*					
	SURCHARGES LEVIED ON –					
1	Corporation Tax	55103.79	60373.34	72118.36	81000.00	90000.00
2	Taxes on Income other than Corporation Tax	53914.24	54793.80	66778.28	71000.00	79000.00
3	Fringe Benefit Tax	0.00	0.00	0.00	0.00	0.00
4	Social Welfare Surcharge under Customs	16178.79	16273.41	17477.86	18040.00	18130.00
5	Special Additional Excise Duties	147163.79	146619.61	142880.01	165930.00	169720.00
	Grand Total (1 to 5)	**272360.61**	**278060.16**	**299254.51**	**335970.00**	**356850.00**
	As % of gross tax revenue	**8.9**	**8.0**	**7.9**	**8.2**	**8.1**