

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 3245
TO BE ANSWERED ON 06th DECEMBER, 2016

UNIFORM TAXATION ON MSP

3245. SHRI FEROZE VARUN GANDHI:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether steps have been taken by the Government to bring various States on board for a uniform taxation on Minimum Support Price (MSP);
- (b) if so, the details of the solutions proposed and the names of States which are against the idea of uniform taxation on MSP;
- (c) the amount foregone in subsidy due to higher taxation during the last three years along with the details of various States having high tax policy on MSP;
- (d) the reasons therefor;
- (e) whether the States were consulted for taking the decision to cut down on the subsidy bill; and
- (f) if not, the reasons therefor?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a) & (b): Presently, states levy various taxes on procurement of foodgrain undertaken for Central Pool within their jurisdiction: the aggregate of all net taxes varies from 3% to 14.5% of Minimum Support Price (MSP). Under the proposed Goods and Service Taxes (GST), all taxes including those levied by the States shall be rationalized.

(c), (d), (e) & (f): Since, presently, taxes are paid on procurement of foodgrain for the Central Pool, hence these taxes are a part of the Food Subsidy.