

**Government of India
Ministry of Finance
Department of Revenue**

LOK SABHA

UNSTARRED QUESTION NO. 2228
TO BE ANSWERED ON FRIDAY, JULY 28, 2017
SHRAVANA 6, 1939 (SAKA)

“CESS FOR WELFARE ACTIVITIES”

2228: **SHRI PANKAJ CHAUDHARY:**

Will the Minister of Finance be pleased to state:

- (a) whether any cess is levied by the Centre and States/Union Territories for welfare activities;
- (b) if so, the details of such cess levied, item wise;
- (c) the criteria being followed for maintaining the accounts of the amount levied and spent for welfare activities;
- (d) whether Apex Court has expressed its displeasure over the non-submission of details of the funds amounting to rupees twenty thousand crores to be spent on welfare of construction workers, if so, the details thereof; and
- (e) whether the Government has put in place any policy/monitoring mechanism to ensure proper maintenance of accounts of the funds accrued through cesses and their utilisation for welfare activities, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SANTOSH KUMAR GANGWAR)

(a) Yes, Madam.

(b) The list of cesses levied by the Central Government in 2015-16 and 2016-17 is at **Annexure-I**.

The list of Cesses abolished by the Central Government through Taxation Laws Amendment Act 2017 is given at **Annexure – II**.

Under the GST regime, no cess is levied by the Centre for welfare activities as such. However, a Goods and Services Tax Compensation Cess has been levied under the Goods and Services Tax (Compensation to States) Act, 2017 so as to provide for compensation to the States for the loss of revenue arising on account of implementation of the goods and services tax in pursuance of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016.

(c) Cesses collected by the Union Government are credited to Consolidated Fund of India in terms to Article 266(1) of Constitution of India and utilization there from regulated in terms of Article 144 of the Constitution of India.

(d) Cess levied under Building and Other Construction workers' Welfare Cell Act, 1996:

The Government has enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Building and other Construction Workers' Welfare Cess Act, 1996 to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measures.

For the purposes of the above said Act, a cess is levied and **collected at the rate of 1% of the cost of construction by the State Governments** under the Building and Other Construction Workers' Welfare Cess Act, 1996.

The States, through their respective State Building and Other Construction Workers Welfare Boards, constituted under BOCW Act, utilize the cess fund in terms of Section 22 of BOCW Act, 1996.

As on 30.06.2017 (Provisional), States and Union Territories have collected total amount of Rs. 33602.61 Crore and have spent an amount Rs. 7601.38 Crore.

The Hon'ble Supreme Court is monitoring the status of implementation of the Building and Other Construction Workers (RECS) Act, 1996 and the Building and Other Construction Workers Welfare Cess Act, 1996 in Writ petition No. 318 of 2006 filed by M/s National Campaign Committee for Central Legislation on Construction Labour.

The Member Secretary, NALSA (National Legal Service Authority) has been impleaded by the Hon'ble Court to assist the Hon'ble Court in respect of the compliance of the directions of the Hon'ble Court dated 16.10.2015. The Hon'ble Court in its last hearing on **8th May, 2017**, directed the States/UTs to submit details in regard to amount of cess collected and transferred to the State Building and Other Construction Workers Welfare Board to the CAG and then requested CAG to file the details.

(e) The Central Government has constituted a Monitoring Committee on 09.09.2015 under the Chairmanship of Secretary (Labour and Employment) to monitor the implementation of the welfare provisions of the Act and utilization of Cess fund for the purpose. The Monitoring Committee has so far held six meetings with the Principal Secretary/ Secretary/ Labour Commissioners of all the States/ UTs to monitor the progress of implementation of the welfare provisions of the Act and utilization of the cess collected for the purpose.

Annexure as referred to in reply of part (b) to Unstarred Question No. 2228 to be answered on 28th July, 2017 in Lok Sabha on the subject of Cess for Welfare Activities.

(Rs. in crore)

Details of Cess	Expenditure on Schemes out of Cess Fund	2015-16	2016-17 (RE)
Primary Education Cess	Sarva Shiksha Abhiyan	13589.13	13345
	Mid Day Meal	5709.03	5473.06
Secondary & Higher Education Cess	Department of Higher Education	9271.72	9866.24
National Clean Energy Fund (Clean Environment Cess)	Grid Interactive and Distributed Renewable Power
	Investment in Public Enterprises
	Solar Power	3112.33	2866.7
	Wind Power	325	496.95
	Green Energy Corridors	300	200
	Solar Energy Corporation of India Ltd	...	100
	National River Conservation Prg	...	167.5
	Ghat Works for Beautification of River Front	100	67
	National Ganga Plan	1000	1440.5
	Other Schemes	252.53	608.35
	Climate Change Action Plan	120	42.66
	National Mission on Himalayan Studies	...	16.5
	National Adaption Fund	...	96.94
	Green India Mission-National Afforestation Programme	70.22	101.1
	Intensification of Forest Management	...	44.54
	Project Tiger	...	21.2
	Project Elephant	...	342.25
	Integrated Development of Wildlife Habitats	...	89.59
	Conservation of Corals and Mangroves	...	16.37
	Biodiversity Conservation	...	9.3
Conservation of Aquatic Ecosystems	...	59.99	
National River Conservation Programme	54.72	77.99	
Rashtriya Swachhata Kosh (Swachh Bharat Cess)	Swachh Bharat Mission - Rural	2400	10000
	Swachh Bharat Mission - Urban	1108.45	2091.46
Krishi Kalyan Cess	Crop Insurance Scheme	...	3596.28
	Interest Subsidy for Short Term Credit to Farmers	...	5203.72
Sugar Cess	Financial Assistance to Sugar Undertakings/Other Expenditure of SDF	20.42	40.72
	Scheme for Extending Financial Assistance to Sugar Undertakings, 2014	800	642.24

	Incentive for Marketing and Promotion Services for Raw Sugar Production	200	41.4
	Interest Subvention on Scheme for Extending Soft Loan to Sugar Mills, 2015	200.99	198.64
	Production Subsidy to Sugar Mills to offset cost of Cane and facilitate timely payment of cane price dues of Farmers	...	600
	Subsidy on Maintenance of Buffer Stock of Sugar	3	...
	Loans for Rehabilitation/ Modernization of Sugar Mills	146.6	160.15
	Loans to Sugar Mills for Cane Development	21.67	11.3
	Loans to Sugar Mills for Bagasse based Co-generation of Power Project	95.79	230
	Loans to Sugar Factories for production of Anhydrous Alcohol or Ethanol from Alcohol	38.64	90.5
Jute Cess	Payment to Development Council of Jute Manufacture against collection of Cess on Jute	53.69	58
Bidi Cess	Bidi Workers welfare	177.2	206.64
Mica Cess	Mica Mines labour Welfare	2.47	3.39
Iron Ore	Iron Ore Manganese Chrome Ore Mines labour Welfare	13.48	14.71
LSDM	Lime Stone and Dolomite Mines labour Welfare	12.41	12.99
Cine Workers	Cine workers Welfare	1.58	2.32
Central Road Fund	Works under Roads Wing financed from CRF	11843.91	20638
	Schemes of States financed from Central Road Fund (CRF)	2363.87	7070.7
	Schemes of UTs financed from CRF	5.6	104.3
	Grants to Inter-State and Economically Important Roads - Schemes financed from CRF	267.09	805
	Development, Planning, Quality Assurance, Research and Training - Schemes financed from CRF	39.19	83
	Maintenance of National Highways - financed from CRF	...	2041.4
	Pradhan Mantri Gram Sadak Yojana	7653.5	13984
	Investment in NHAI	16517.68	7476.6

Annexure as referred to in reply of part (b) to Unstarred Question No. 2228 to be answered on 28th July, 2017 in Lok Sabha on the subject of Cess for Welfare Activities.

Through Taxation Laws Amendment Act 2017, the following cesses are abolished:-

- i) The Rubber Act 1947 – Cess on Rubber.
- ii) The Industries (Development and Regulation) Act 1951 – Cess on Automobile.
- iii) The Tea Act 1953 – Cess on Tea.
- iv) The Coal Mines (Conservation and Development) Act, 1974 – Cess on Coal.
- v) The Beedi Workers' Welfare Cess Act 1971 – Cess on Beedis.
- vi) The Water (Prevention and Control of Pollution) Cess Act 1977 – Cess levied on Water consumed by certain industries and by local authorities.
- vii) The Sugar Cess Act 1982, the Sugar Development Fund Act 1982 – Cess on Sugar.
- viii) The Jute Manufacturers Cess Act 1983 – Cess on Jute Goods manufactured or produced or in part of Jute.
- ix) The Finance (2) Act 2004 – Education Cess on Excisable Goods.
- x) The Finance Act, 2007 – Secondary and Higher Education Cess on Excisable Goods.
- xi) The Finance Act 2010 – Clean Energy Cess.
- xii) The Finance Act 2015 – Swachh Bharat Cess.
- xiii) The Finance Act 2016 – Infrastructure Cess and Krishi Kalyan Cess.
