

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

**LOK SABHA
UNSTARRED QUESTIONS NO. 997
TO BE ANSWERED ON FRIDAY, JULY 21, 2017
ASHADHA 30, 1939 (SAKA)**

RATES OF CESS AND SURCHARGE

997: DR. KULAMANI SAMAL:

Will the Minister of Finance be pleased to state:

- (a) the details of the rates of cess and surcharge being charged by the Government through various direct and indirect taxes;
- (b) the extent by which Government has been benefited, out of cess and surcharge during the last three financial year, State/UT-wise;
- (c) whether the Government proposes to eliminate the different rates of cess and surcharge being charged through various direct and indirect taxes gradually in a phased manner; and
- (d) if so, the details thereof?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SANTOSH KUMAR GANGWAR)**

(a) :

Direct Tax

The cesses, being “Education Cess on income-tax” at two percent and “Secondary and Higher Education Cess on income-tax” at one per cent, are levied by the Union to fulfil the commitment of the Government to provide and finance universalised quality basic education and secondary and higher education respectively every year through the Finance Act.

The education cess was introduced in the tax proposals of budget 2004, secondary and higher education cess was introduced in the tax proposals of budget 2007.

The Income Declaration Scheme, 2016 (the Scheme) *inter alia* provided for levy of tax and penalty @ 30% and 7.5% of undisclosed income respectively. The Scheme also provided for levy of surcharge under the name *Krishi Kalyan Cess* @ 25% of the tax.

An income taxable under section 115BBE of the Income-tax Act, 1961, from the Assessment Year 2016-17 and onward, shall be subject to tax @ 60% and surcharge @25% of tax along with the applicable cess.

Vide the Taxation Laws (Second Amendment) Act, 2016, the Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016 (PMGKY) was introduced. Under PMGKY, a declarant was required to pay tax @ 30% & penalty @10% of the undisclosed income respectively and surcharge under the name *Pradhan Mantri Garib Kalyan Cess* @33% of tax.

The details of surcharges being levied for the financial years 2015-16 and 2016-17 is at

annexure.

Indirect Tax

The following cess and surcharge are being charged by the Government is as under:

S.No.	Cess/Surcharge	Rate
Customs Duties		
1	Education Cess	2%
2.	Secondary and Higher Secondary Education Cess	1%
Union Excise Duties		
1.	Additional Duty of Excise on Motor spirit	Rs. 6 per litre
2.	Additional Duty of Excise on High speed Diesel Oil	Rs. 6 per litre
3.	Special Additional Duty of Excise on Motor spirit	Rs. 7 per litre
4.	Special Additional Duty of Excise on High speed Diesel Oil	Rs. 1 per litre
5.	Cess on crude petroleum oil	20%
6.	NCCD on tobacco and tobacco products and crude petroleum oil	10% on tobacco and tobacco products in general and Rs. 50 per tonne on petroleum oil

(b):

The state/UT-wise information on Cess/Surcharge is not maintained by the Government. However, the total collection from Cess/Surcharge during the last three financial year is given as under:

(Rs. In Crore)

Financial year	Direct Tax	Indirect Tax
2014-15	35438.55	83838.4
2015-16	40469.19	136932.5
2016-17	46939.17*	188368.6 **

*Provisional

** RE

(c) & (d):

Direct Tax

There is no such proposal under consideration at present.

Indirect Tax

Yes, Madam. The Government has eliminated various cess/surcharge during last few Financial years and some more cesses / surcharges has been abolished by The Taxation Laws Amendment Act, 2017. The detail thereof is as under:

Budget 2015-16

- 1.Education Cess on taxable services
- 2.Secondary & Higher Education Cess on taxable services

Budget 2016-17

1. The Mica Mines Labour Welfare Fund Act, 1946
2. The Salt Cess Act, 1953
3. The Merchant Shipping Act, 1958
4. The Textile Committee Act, 1963
5. The Limestone and Dolomite Mines Labour Welfare Funds Act, 1972 [2 Cesses]
6. The Tobacco Cess Act, 1975
7. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976 [3 Cesses]
8. The Cine-workers Welfare Cess Act, 1981

Budget 2017-18

Research & Development Cess Act

Taxation Laws Amendment Act, 2017

1. Cess on Rubber
2. Cess on Automobile
3. Cess on Tea
4. Cess on Coal
5. Cess on Bidis
6. Cess levied on water consumed by certain industries and by local authorities
7. Cess on Sugar
8. Cess on jute goods manufactured or produced wholly or in part of jute
9. Education Cess on excisable goods
10. Secondary & Higher Education Cess on excisable good.
11. Clean Energy Cess
12. Cess on cement
13. Cess on strawboard

Annexure

Annexure as referred to in reply of part (a) to Unstarred Question No. 997 to be answered on 21st July, 2017 in Lok Sabha on the subject of Rates of Cess and Surcharge.

Direct Tax

Financial Year	Income Range	Rate	Relevant Act
Individual or Hindu undivided family or every association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, 1961			
2015-16	total income exceeding one crore rupees	twelve percent	Finance Act, 2016
2016-17	income exceeding fifty lakh rupees but not exceeding one crore rupees	ten percent	Finance Act, 2017
	total income exceeding one crore rupees	fifteen percent	
in the case of a domestic company			
2015-16	income exceeding one crore rupees but not exceeding ten crore rupees	seven percent	Finance Act, 2016
	having total income exceeding ten crore rupees	twelve percent	
2016-17	income exceeding one crore rupees but not exceeding ten crore rupees	seven percent	Finance Act, 2017
	having total income exceeding ten crore rupees	twelve percent	
in the case of a company, other than a domestic company			
2015-16	income exceeding one crore rupees but not exceeding ten crore rupees,	two percent	Finance Act, 2016
	income exceeding ten crore rupees	five percent	
2016-17	income exceeding one crore rupees but not exceeding ten crore rupees,	two percent	Finance Act, 2017
	income exceeding ten crore rupees	five percent	
in the case of every co-operative society			
2015-16	income exceeding one crore rupees	twelve percent	Finance Act, 2016
2016-17	income exceeding one crore rupees	twelve percent	Finance Act, 2017

in the case of every firm			
2015-16	income exceeding one crore rupees	twelve percent	Finance Act, 2016
2016-17	income exceeding one crore rupees	twelve percent	Finance Act, 2017