

GOVERNMENT OF INDIA
MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

LOK SABHA
UNSTARRED QUESTION NO 198
TO BE ANSWERED ON 15.12.2017

Environment Tax on Vehicles

198. DR. RAM SHANKAR KATHERIA:

Will the Minister of ENVIRONMENT, FOREST AND CLIMATE CHANGE be pleased to state:

- (a) whether the Government has got any study conducted by Foundation for Public Economics and Policy Research for combating pollution;
- (b) if so, the details thereof;
- (c) whether the said study group has given suggestions to impose environment tax on vehicles at per kilometer rate and if so, the details thereof;
- (d) whether the Government proposes to enforce the said tax, if so, the manner in which the said tax is likely to be imposed; and
- (e) whether any scheme has been formulated to utilise the amount collected through the said tax for environmental protection and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE
(DR. MAHESH SHARMA)

(a) to (c) A study was conducted by Foundation for Public Economics and Policy Research which according to available reports was supported by the erstwhile Planning Commission. The report touches upon various aspects including fiscal significance, economics of Road User Taxes, Eco-Taxes for vehicles etc. The report had suggested imposition of presumptive tax on vehicles to control the growth in number of vehicles and to generate additional revenue.

(d) & (e) There is no proposal to impose any environmental tax currently under consideration of Ministry of Environment, Forest and Climate Change. However in compliance of order dated October 9, 2015 of Hon'ble Supreme Court of India in the matter of M.C. Mehta Vs Union of India, Environment Compensation Charges were imposed on Light as well heavy duty commercial vehicles entering Delhi from November 1, 2015 and the amount so collected is exclusively used for augmenting public transport and improving roads, particularly for most vulnerable users, that is, cyclists and pedestrians in Delhi. Further, Hon'ble Supreme Court imposed 1% EPC (Environment Protection Charge) on diesel cars with engine capacity of 2000 cc & more and the amount is deposited with Central Pollution Control Board and is to be used for prevention and control of pollution in Delhi NCR.
