

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.471

TO BE ANSWERED ON FRIDAY THE 20TH JULY, 2018
ASHADHA 29, 1940 (SAKA)

CUSTOMS DUTY ON CRUDE OIL

471. SHRI RAM CHARAN BOHRA:

Will the Minister of FINANCE be pleased to state:

(a) the tax structure in place for imported and domestically produced crude oil during the last three years and the current year;

(b) whether the Government levies tax on crude oil produced from domestic oil reserves and levies no taxes on imported crude oil, if so, the details thereof along with the reasons therefor;

(c) whether the Government proposes to reimpose customs duty on crude oil import and if so, the details thereof;

(d) whether the Government is considering to remove Central Sales Tax (CST) so as to promote domestic explorers; and

(e) if so, the details thereof along with the action taken by the Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a), (b) & (c): Duty Structure on domestically produced crude oil and imported crude for last three years is given as under:

Particulars	Duty structure from 01.03.2015 to 29.02.2016	Duty structure from 01.03.2016 to till now
Customs Duty on imported crude oil	NIL + Rs. 50/MT as NCCD	NIL + Rs. 50/MT as NCCD
Central Excise Duty on domestically produced crude oil	Nil+Rs.4500/MT as OID Cess + Rs. 50/MT as NCCD	Nil+ OID Cess @ 20% +Rs.50/ MT as NCCD

(d) & (e): Central Sales Tax (CST) though administered by Central Government but it is collected and appropriated by the concerned State Government as per CST Act, 1956. Accordingly, VAT is levied by State Government during intra-State sale or purchase of petroleum products as per amended Entry 54 of List-II (State List) of Seventh Schedule of the Constitution and CST is levied by State Government during inter-State sale or purchase of petroleum products as per CST Act, 1956 even after implementation of GST w.e.f. 01.07.2018. Further, there is no such proposal to remove Central Sales Tax (CST) levied on petroleum products.
