

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

LOK SABHA

UNSTARRED QUESTION NO.1881

TO BE ANSWERED ON FRIDAY THE 21ST DECEMBER, 2018
AGRAHAYANA 30, 1940 (SAKA)

PETROLEUM PRODUCTS UNDER GST

**1881. SHRI BHAIRON PRASAD MISHRA:
SHRI KALIKESH N. SINGH DEO:**

Will the Minister of FINANCE be pleased to state:

(a) whether the overall average tax component on the prices of diesel and petrol this year has reached a 100 per cent of the base price of these commodities, if so, the break-up of taxes imposed on sale of petrol and diesel per litre for year 2018-19, State/UT-wise;

(b) whether the Government proposes to do away with the present taxation system on petrol and diesel and has taken any new initiative to persuade the States/ UTs to bring petroleum products also under GST, if so, the details and the outcome thereof; and

(c) whether bringing diesel and petrol under the pan-India tax umbrella of GST will cause any significant decrease in prices of these commodities and if so, the details thereof?

ANSWER

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

(a): Prices of petrol and diesel have been made market determined by the Government with effect from 26.06.2010 and 19.10.2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petrol and diesel in line with international product prices and other market conditions. This results in change in price on a day to day basis.

The price buildup of petrol and diesel as on 19th December, 2018 (as per IOCL at Delhi) is given below:

(in Rs. per litre)

S. No.	Elements	Petrol	Diesel
1.	Price before Taxes and Dealer Commission	34.04	38.67
2.	Central Excise Duty [A]	17.98	13.83
3.	Dealer Commission	3.59	2.53
4.	State VAT [B]	15.02	9.51
5.	Retail Selling Price [C]	70.63	64.54
6.	Total Tax incidence percentage [(A+B)/C]	96.9%	60.3%

The overall tax incidence comes out as 96.9% for petrol and 60.3% for diesel being sold at Delhi.

Similarly, for other states/UTs, the rate of state VAT is different and the overall tax incidence changes accordingly.

(b) & (c): As per Article 279 A (5) of the Constitution, the Goods and Service Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel (ATF). As per the section 9(2) of the CGST Act, inclusion of these products in GST will require recommendation of the GST Council. So far, the GST Council has not made any recommendation for inclusion of petroleum products under GST.
