

**GOVERNMENT OF INDIA  
MINISTRY OF INFORMATION & BROADCASTING**

**LOK SABHA  
UNSTARRED QUESTION NO. 5690  
TO BE ANSWERED ON 26.07.2019**

**TAX ON CINEMA**

**5690: SHRI JAYADEV GALLA:**

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether the Government is aware that Indians are one of the largest film consumers in the world with more than three billion tickets sold every year, if so, the details thereof;
- (b) whether the Ministry is aware that the rate of tax in many countries of the world on cinema exhibition is in single digit and in other countries, the rate is half of the normal rate of tax, if so, the details thereof;
- (c) whether it is true that rate of tax in China on cinema exhibitions is just 5.8 percent whereas India has 28 percent of GST here, if so, the details thereof;
- (d) whether the Ministry is aware that due to higher rate of tax, the number of screens has actually come down from 11,000 to 9,500, if so, the details thereof; and
- (e) whether the Ministry has given any serious thought to this bias/ discrimination meted out to cinema exhibition in India, if so, the details thereof?

**ANSWER**

**THE MINISTER OF ENVIRONMENT, FOREST AND CLIMATE CHANGE;**

**AND MINISTER OF INFORMATION AND BROADCASTING**

**(SHRI PRAKASH JAVADEKAR):**

**(a) and (b): No such data is available.**

**(c) In GST regime, cinema tickets of price Rs. 100 or less attracts GST of 12% and tickets of price more than Rs. 100 attracts GST of 18%. Input tax credit (ITC) of tax paid on goods and input services is also freely available.**

**As compared to this, pre GST era weighted average of entertainment tax on admission to cinema, based on Gross State Domestic Product (GSDP) data, was more than 30%. Input tax credit (ITC) of tax paid on goods and input services was also not available, thereby making the effective incidence of tax even higher.**

**Therefore, under GST regime, tax on cinema tickets has significantly reduced.**

**(d) The subject exhibition of cinema and regulation of cinema screens/ theatres fall within jurisdiction of respective State Government. However, as per report of Economic Survey 2018-19, number of screen in the country has been reached upto 9601 in 2018 from 9530 in 2017.**

**(e): The Ministry of Information and Broadcasting in the process of introduction of a component ‘Incentive to State Governments/ Union Territories to increase theatre density’ under-sub scheme Audio Visual Services of Champion Services Sectors Scheme. Under this component, financial incentive will be provided through respective State Governments/ Union Territories to such applicants who are interested in establishing single screen cinema theatres in non-metro (tier II and III) cities of the country.**