

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

**LOK SABHA
UNSTARRED QUESTION NO. 4354
TO BE ANSWERED ON MONDAY, MARCH 27, 2023
CHAITRA 6, 1945 (SAKA)**

NEED FOR LEVYING CESSES AND SURCHARGES

4354. SHRI PASUNOORI DAYAKAR:
SHRIMATI KAVITHA MALOTHU
DR. G. RANJITH REDDY:
SHRI VENKATESH NETHA
BORLAKUNTA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is estimated to get Rs. 5.10 lakh crores in 2022-23 through cesses, surcharges, etc. and if so, the details thereof;
- (b) the details of various specific needs for which cesses and surcharges have been levied by the Government and the amount collected under each of such specific need;
- (c) the details of taxes collected under additional excise duty during each of the last three years;
- (d) whether additional excise duty levied by Government is allowed under the Constitution of the country and if so, the details thereof; and
- (e) the reasons/rationale for not sharing the revenues collected by the Government from the aforesaid duties with the States?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

- (a) Details of Cesses and Surcharges indicating RE2022-23 for the FY 2022-23 [as per budget Documents 2023-24] are as per Annexure 'A'.
- (b) As per provisions under Article 270 of the Constitution of India - All taxes and duties referred to in the Union List, except the duties and taxes, surcharge on taxes and duties and any cess levied for specific purposes under any law made by Parliament shall be levied and collected by the Government of India and shall be distributed between the Union and the States. Further to this, utilizations of various Cesses and Surcharges are governed by the enabling provisions of appropriate Act(s) or the executive decision, as the case may be. For instance, in the case of GST Compensation Cess, the proceeds of the Cess leviable is initially credited to the Consolidated Fund of India, in terms of Article 266 of the Constitution of India, and the funds are provided to the States/UTs through GST Compensation Fund created in Public Account of India as per provisions of the GST Compensation Act, 2017.

(c) Road & Infrastructure Cess (RIC) & Agriculture Infrastructure & Development Cess are levied as Additional duty of Excise in the post-GST regime and the details of taxes collected under Road & infrastructure Cess (RIC) & Agriculture Infrastructure & Development Cess (AIDC) during each of the last three years is as follows:

(Rs. In crore)

DUTY HEAD	FY 2019-20	FY 2020-21	FY 2021-22
*Road & Infrastructure Cess (RIC)	122,867	235,781	195,985
Agriculture Infrastructure & Development Cess (AIDC)	-	-	48,065

Source: Receipt Budget

*Road & Infrastructure Cess includes erstwhile Road Cess also under Central Excise.

(d) Article 265 of the Constitution of India says that "No tax shall be levied or collected except by authority of law". Accordingly, all the taxes, including additional duty of excise is levied in accordance with the provisions of the Constitution of India. Additional duty of Excise is levied under the relevant provisions of Finance Acts.

(e) Article 270 of the Indian Constitution excludes the surcharge on taxes and duties referred to in Article 271 and any cess levied for specific purposes under any law made by parliament from the taxes to be distributed between the Union and the States.

Annexure 'A'

Statement showing details of surcharge and cesses estimated as part of principal taxes			
			(₹ crore)
Sl. No.	Name of the levy	Major Head	Revised 2022-23
SURCHARGE			
1	Surcharge under Corporation Tax	0020	80288.46
2	Surcharge under Taxes on Income	0021	75961.53
3	Social Welfare Surcharge under Customs	0037	17000.00
	Total Surcharge (1 to 3)		173249.99
CESSES			
A.	GST Compensation Cess	0009	130000.00
B.	Other Cesses (excluding GST Compensation Cess)		
1	Health and Education Cess		62500.01
2	National Calamity Contingent Duty		8000.00
3	Health Cess	0037	20.00
4	Agriculture Infrastructure and Development Cess		73500.00
5	Cesses on Exports	0037	2100.00
6	Road and Infrastructure Cess*		58200.00
7	Cess on Crude Oil	0038	21000.00
B.	Other Cesses (excluding GST Compensation Cess)		225320.01
C.	Total Cess including GST Compensation Cess (A+B)		355320.01

** Includes additional duty of excise on petrol and diesel, which were known as 'road cess' before introduction of 'road and infrastructure cess'.*