

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**

**UNSTARRED QUESTION NO. 4364**

ANSWERED ON Monday, THE 27<sup>th</sup> MARCH, 2023/ Chaitra 6, 1945 (Saka)

**Collection of Revenues from Cess and Surcharge**

4364. SHRI VELUSAMY P:

**Will the Minister of Finance be pleased to state:**

- a) the percentage and the details of cess and surcharge in gross revenue collected by the Government during each of the last three years;
- b) whether the 15<sup>th</sup> Finance Commission has recommended for the cess and surcharge collected to become part of the divisible pool and if so, the details thereof; and
- c) the amount of cess and surcharge shared with all the States including the State of Tamil Nadu?

**ANSWER**

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

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- a) The details of Cess and Surcharge and their percentage in gross revenue collected by the Government during each of the last three years are given in Annexure 'A';
- b) No, Sir;
- c) Receipts from levy of cesses are for meeting specific expenditure of Union Government such as education, health, transport, infrastructure, etc. and are not shareable with States as part of central taxes assigned to States. However, Centrally Sponsored schemes like Samagra Shiksha and Mid-day Meal scheme are implemented through State Governments and financed through Prarambhik Shiksha Kosh, a reserve fund financed through 'Health and Education Cess'. Therefore, cesses allocated to Centrally Sponsored Schemes are used to finance development/welfare measures in the States. The amount of Cess utilized for transfer to State Governments for implementation of Centrally Sponsored Schemes through dedicated reserve funds is given in Annexure 'B'. However, 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. In the year 2022-23, despite the collection of ₹ 1,15,650 crore (till February 2022), a total amount of ₹ 1,49,168 was released to the states/UTs. Further, during the FY(s) 2020-21 and 2021-22, the Union Government decided to borrow an amount of ₹ 1.1 lakh crore and ₹ 1.59 lakh crore to meet the shortfall in GST Compensation Cess collections and transferred the amount to the States as back-to-back loan to strengthen the States' resources.

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Statement showing details of surcharge and cesses estimated as part of principal taxes								Annexure 'A'	
( ₹ crore )									
Sl. No.	Name of the levy	Actuals 2019-20	% of Actuals 2019-20 w.r.t GTR	Actuals 2020-21	% of Actuals 2020-21 w.r.t GTR	Actuals 2021-22	% of Actuals 2021-22 w.r.t GTR	Revised Estimate 2022-23	% of RE 2022-23 w.r.t GTR
SURCHARGE									
1	Surcharge under Corporation Tax	19053.92	0.95	14078.57	0.69	15890.31	0.59	80288.46	2.64
2	Surcharge under Taxes on Income	5236.92	0.26	5537.78	0.27	7922.88	0.29	75961.53	2.50
3	Surcharge under Fringe Benefit Tax	0.00	0.00	0.33	0.00	0.00	0.00	0.00	0.00
4	Social Welfare Surcharge under Customs	8796.12	0.44	13447.39	0.66	16945.06	0.63	17000.00	0.56
	Total Surcharge (1 to 4)	33086.96	1.65	33064.07	1.63	40758.25	1.50	173249.99	5.69
CESSES									
A.	GST Compensation Cess	95553.09	4.75	85191.91	4.20	104768.66	3.87	130000.00	4.27
B.	Other Cesses (excluding GST Compensation Cess)								
1	Health and Education Cess	39131.10	1.95	35821.55	1.77	52732.33	1.95	62500.01	2.05
2	Krishi Kalyan Cess	40.13	0.00	10.61	0.00	7.24	0.00	0.00	0.00
3	National Calamity Contingent Duty	2380.40	0.12	5098.81	0.25	7074.87	0.26	8000.00	0.26
4	Primary Education Cess	81.48	0.00	61.85	0.00	15.44	0.00	0.00	0.00
5	Secondary & Higher Educatio Cess	27.97	0.00	11.42	0.00	2.50	0.00	0.00	0.00
6	Health Cess	0.00	0.00	-13.52	0.00	31.02	0.00	20.00	0.00
7	Agriculture Infrastructure and Development Cess	0.00	0.00	0.00	0.00	76950.68	2.84	73500.00	2.42
8	Cesses on Exports	5759.14	0.29	9214.64	0.45	1457.10	0.05	2100.00	0.07
9	Road and Infrastructure Cess*	122424.32	6.09	235782.55	11.63	195986.96	7.23	58200.00	1.91
10	Infrastructure Cess	0.94	0.00	-0.07	0.00	0.00	0.00	0.00	0.00
11	Cess on Crude Oil	14062.49	0.70	10894.44	0.54	19353.84	0.71	21000.00	0.69
12	Cess on Bidi	0.02	0.00	0.00	0.00	0.01	0.00	0.00	0.00
13	Cess on Sugar	3.50	0.00	0.35	0.00	0.02	0.00	0.00	0.00
14	Cess on Automobiles	1.08	0.00	0.00	0.00	0.01	0.00	0.00	0.00
15	Others	14.98	0.00	0.03	0.00	-0.16	0.00	0.00	0.00

16	Clean Environment Cess	24.56	0.00	0.01	0.00	23.86	0.00	0.00	0.00
17	Cess on Jute	2.18	0.00	0.06	0.00	0.04	0.00	0.00	0.00
18	Cess on Tobacco	0.03	0.00	0.01	0.00	0.07	0.00	0.00	0.00
19	Cess on Salt	0.00	0.00	0.00	0.00	-0.20	0.00	0.00	0.00
20	Swachh Bharat Cess	46.63	0.00	17.34	0.00	9.63	0.00	0.00	0.00
21	Water Cess	11.16	0.00	6.82	0.00	2.78	0.00	0.00	0.00
22	R & D Cess	14.68	0.00	16.77	0.00	16.42	0.00	0.00	0.00
23	Other Cess	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>B.</b>	<b>Other Cesses (excluding GST Compensation Cess)</b>	<b>184026.79</b>	<b>9.16</b>	<b>296923.67</b>	<b>14.65</b>	<b>353664.46</b>	<b>13.05</b>	<b>225320.01</b>	<b>7.40</b>
<b>C.</b>	<b>Total Cess including GST Compensation Cess (A+B)</b>	<b>279579.88</b>	<b>13.91</b>	<b>382115.58</b>	<b>18.85</b>	<b>458433.12</b>	<b>16.92</b>	<b>355320.01</b>	<b>11.68</b>

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

Annexure 'B'					
Amount Spent/allocated for Centrally Sponsored Scheme through cess related Reserve Funds					
(₹ crore)					
S.No	Centrally Sponsored Scheme financed from CESS	2019-20	2020-21	2021-22	RE 2022-23
1	Central Road and Infrastructure Fund	18392.22	33762.88	33802.85	26919.29
2	Prarambhik Shiksha Kosh	26848.35	30168.34	31788.25	38000.00
3	Pradhan Mantri Swasthya Suraksha Nidhi	...	14899.86	15783.80	13701.97
4	Madhyamik and Uchhtar Shiksha Kosh	5510.00	2911.28	3750.00	4000.00
	<b>Total</b>	<b>50750.57</b>	<b>81742.36</b>	<b>85124.90</b>	<b>82621.26</b>
<p>* Madhyamik and Uchhtar Shiksha Kosh(MUSK) and Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN) are expected to be operationalised from this fiscal. The figures given upto 2021-22 are Revised Estimate for the respective years.</p>					