

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

LOK SABHA

UNSTARRED QUESTION NO.5171

TO BE ANSWERED ON MONDAY, APRIL 3, 2023/CHAITRA 13, 1945 (SAKA)

TAX ON TOBACCO PRODUCTS

5171. DR. KALANIDHI VEERASWAMY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is considering to increase tax for all the tobacco products and if so, the details thereof; and
- (b) whether the Government will impose an additional tax on beedis to discourage beedi smoking as it is more harmful than cigarette smoking and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) : The duty of excise on tobacco products are reviewed in the budget taking all relevant aspects into account. Vide section 172 of the Finance Act, 2023, the Seventh Schedule to the Finance Act, 2001, has been amended to increase the rate of National Calamity Contingent Duty (NCCD), a duty of excise, on specified cigarettes by about 16%. The increased rates have been made effective from the 2nd February, 2023, by invoking provisions of the Provisional Collection of Taxes Act, 1931. The details are placed at Annexure-I. As regards the GST rates and Compensation Cess rates, they are prescribed on the recommendation of the GST Council, which is a constitutional body comprising of representatives of States/UTs and Centre. On the basis of the recommendation of the GST Council in its 49th Meeting held on the 18th February, 2023, the rate of Compensation Cess levied on specified commodities like pan masala, gutkha, chewing tobacco, etc. have been revised. The details are placed at Annexure-II.

(b): No such proposal is under consideration.

Annexure-I

Tariff item	Description of goods	Unit	NCCD rate (in Rs. per thousand) prior to 02.02.2023	NCCD rate (in Rs. per thousand) w.e.f. 02.02.2023
(1)	(2)	(3)	(4)	(5)
2402 20 10	Other than filter cigarettes, of length not exceeding 65 millimetres	Tu	200	230
2402 20 20	Other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 70 millimetres	Tu	250	290
2402 20 30	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 65 millimetres	Tu	440	510
2402 20 40	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 65 millimetres but not exceeding 70 millimetres	Tu	440	510
2402 20 50	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres	Tu	545	630
2402 20 90	Other	Tu	735	850
2402 90 10	Cigarettes of tobacco substitutes	Tu	600	690

Annexure-II

Heading / Subheading / Tariff item	Description of Goods	Specific rate for Compensation Cess* (per unit)
2106 90 20	Pan Masala	0.32R
2401	Unmanufactured tobacco (without lime tube) – bearing a brand name	0.36R
2401	Unmanufactured tobacco (with lime tube) – bearing a brand name	0.36R
2401 30 00	Tobacco refuse, bearing a brand name	0.32R
2403 11 10	Hookah or gudaku tobacco bearing a brand name	0.36R
2403 11 10	Tobacco used for smoking 'hookah' or 'chilam' commonly known as 'hookah' tobacco or 'gudaku', not bearing a brand name	0.12R
2403 11 90	Other water pipe smoking tobacco, not bearing a brand name	0.08R
2403 19 10	Smoking mixtures for pipes and cigarettes	0.69R
2403 19 90	Other smoking tobacco bearing a brand name	0.28R
2403 19 90	Other smoking tobacco not bearing a brand name	0.08R
2403 91 00	“Homogenised” or “reconstituted” tobacco, bearing a brand name	0.36R
2403 99 10	Chewing tobacco (without lime tube)	0.56R
2403 99 10	Chewing tobacco (with lime tube)	0.56R
2403 99 10	Filter khaini	0.56R
2403 99 20	Preparations containing chewing tobacco	0.36R
2403 99 30	Jarda scented tobacco	0.56R
2403 99 40	Snuff	0.36R
2403 99 50	Preparations containing snuff	0.36R
2403 99 60	Tobacco extracts and essence, bearing a brand name	0.36R
2403 99 60	Tobacco extracts and essence, not bearing a brand name	0.36R
2403 99 70	Cut tobacco	0.14R
2403 99 90	Pan masala containing tobacco ‘Gutkha’	0.61R
2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name	0.43R
2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name	0.43R

* R means retail sale price
