

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

LOK SABHA

UNSTARRED QUESTION NO.2904

TO BE ANSWERED ON MONDAY, AUGUST 7, 2023/SRAVANA 16, 1945 (SAKA)

CARBON TAX

2904. SHRI NITESH GANGA DEB:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any plan to impose carbon tax during the current financial year;
- (b) if so, the details thereof;
- (c) whether this carbon tax encourages people for adopting more green technology by switching to Electric Vehicles (EV) in future;
- (d) if so, whether the Government proposes to provide incentives both for the production of EVs and to the Consumer as well; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (e): Currently, there is no such proposal to impose carbon tax during the current financial year. However, Govt. of India has given incentives to buyers and manufacturers of electric vehicles through following schemes:

- i. Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME India): The Government notified Phase-II of FAME India Scheme for a period of five years commencing from 1st April, 2019 with a total budgetary support of Rs. 10,000 crore. Under FAME-India Scheme phase-II, incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles.
- ii. Production Linked Incentive (PLI) Scheme for Automotive Sector: The Government on 15th Sep 2021 approved the PLI Scheme for Automotive Sector with a budgetary outlay of Rs. 25,938 crores to support domestic manufacturing of vehicles. Electric vehicles are covered under this PLI scheme.
- iii. PLI Scheme for Advanced Chemistry Cell (ACC): The Government on 12th May, 2021 approved PLI Scheme for manufacturing of ACC in the country with a budgetary outlay of Rs. 18,100 Crore. The scheme envisages to establish a competitive ACC battery manufacturing set up in the country for 30 GWh. Additionally, 5GWh of niche ACC technologies is also covered under the Scheme.
