TAX BURDEN OF TOBACCO PRODUCTS

1180. SHRI CHANDRA SEKHAR SAHU:
DR. PRITAM GOPINATHRAO MUNDE:

Will the Minister of FINANCE be pleased to state:

(a) the total tax burden for all the tobacco products, combined with the GST rates and compensation cess;

(b) whether the Government is planning to levy any additional cess on tobacco products, including cigarettes and bidis to generate additional revenue for the Government;

(c) if so, the details thereof and if not, the reasons thereof;

(d) whether this will provide the much needed tax revenue for COVID-19 stimulus packages; and

(e) if so, the details of revenue likely to be increased as a result therefrom?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a): The GST rates on goods are fixed on the basis of the recommendations of the GST Council. The GST Council has recommended the highest rate of GST at 28% on all tobacco products except tobacco leaves (5%). Further, GST Council has recommended levy of Compensation Cess on Tobacco products at varying ad valorem rates ranging upto 290%. Cigarettes/Cigars are leviable to specific rates of compensation cess in addition to ad valorem rates. In addition, tobacco products also attract excise duty and NCCD.

(b), (c), (d) and (e): At present there is no recommendation by GST Council.