

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

UNSTARRED QUESTION NO.1180

TO BE ANSWERED ON SATURDAY THE 19TH SEPTEMBER, 2020
BHADRAPADA 28, 1942 (SAKA)

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.
