Share of Cesses and Surcharges

3595: SHRI KURUVA GORANTLA MADHAV:
SHRIMATI CHINTA ANURADHA:
SHRI T.R.V.S. RAMESH:
SHRI SRIDHAR KOTAGIRI:
SHRI M.V.V. SATYANARAYANA:

Will the Minister of Finance be pleased to state:

(a) whether the Government is aware that the share of cesses and surcharges in gross tax revenue has increased from 10.4 per cent in 2011-12 to 19.9 per cent in 2020-21;
(b) if so, the details thereof;
(c) whether the Government is contemplating to include revenues from cesses and surcharges as a part of the divisible pool, as per recommendations of 15th Finance Commission;
(d) if so, the details thereof; and
(e) the measures identified by the Government to moderate the increasing average interest burden ratio of the States including Tamil Nadu to counter the fiscal crisis?

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

(a) & (b):

<table>
<thead>
<tr>
<th>Tax Head</th>
<th>FY 2011-12</th>
<th>*FY 2020-21 [P]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cesses and Surcharges on Direct Taxes</td>
<td>29,249.51</td>
<td>54,705.16</td>
</tr>
<tr>
<td>Cesses and Surcharges on Customs, Central excise and Service Tax</td>
<td>63,747</td>
<td>3,54,776</td>
</tr>
<tr>
<td>GST Compensation Cess</td>
<td>GST effective from 1st July, 2017</td>
<td>85,192</td>
</tr>
<tr>
<td>Gross tax Revenue</td>
<td>8,89,177</td>
<td>20,24,851</td>
</tr>
</tbody>
</table>

Source: Receipt Budget, Pr. CCA (CBIC) [P]=Provisional; *Supplementary-III figures received from Pr. CCA (CBIC)
*Provisional (Source: Pr. CCA, CBDT)

(c) & (d): Cesses and surcharges are not included in the divisible pool as per Constitutional scheme for devolution of taxes

(e): The Finance Commission prescribes the fiscal roadmap for States anchoring an annual limit as percentage of Gross State Domestic Product (GSDP). The Net borrowing ceiling of the States including the State of Tamil Nadu is fixed as per the recommendation of the Finance Commission.