

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

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**LOK SABHA**

**UNSTARRED QUESTION NO.2336**

**TO BE ANSWERED ON MONDAY, AUGUST 1, 2022/SRAVANA 10, 1944 (SAKA)**

**SUGGESTIONS FOR INCLUSION OF PETROLUUM PRODUCTS UNDER GST**

**2336. DR. DHAL SINGH BISEN:  
SHRI AJAY NISHAD:**

**Will the Minister of FINANCE be pleased to state:**

- (a) the names of States which have not agreed to bring diesel and petrol under the purview of Goods and Services Tax (GST) along with the reasons therefor;
- (b) whether the Government has conducted any study to assess the quantum of financial losses likely to be suffered by the State Governments after bringing diesel and petrol under the purview of GST and if so, the details thereof, State/UT-wise;
- (c) whether the State Governments have given any suggestions regarding inclusion of petroleum products under GST and if so, the details thereof along with the measures being taken to widen the scope of GST; and
- (d) whether the main reason for inflation is rising prices of diesel and petrol and if so, the details of products that are mostly affected from this?

**ANSWER**

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

**(a) (b) and (c):** Article 279 A (5) of the Constitution prescribes that the Goods and Service Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel (ATF). Also, as per the section 9(2) of the CGST Act, inclusion of these products in GST will require recommendation of the GST Council. So far, the GST Council, in which the states are also represented, has not made any recommendation for inclusion of these goods under GST. The Council may consider the issue of inclusion of these products at a time it considers appropriate keeping in view all relevant factors. At present, the products are not covered in GST and no recommendation has been made so far by the GST Council, therefore, it would be pre-mature to assess the financial loss likely to be suffered by the State Governments on inclusion of these products in GST.

**(d):** Consumer Price Index (CPI) for "Petrol for vehicle" inflation has declined from 16.83 in May, 2022 to 5.37 in June, 2022. CPI for "Diesel for vehicle" has declined from 11.52 in May, 2022 to 0.68 in June, 2022.

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