

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA
UNSTARRED QUESTION NO. 1729
TO BE ANSWERED ON 10.03.2025**

BUILDING CESS COLLECTION

1729. SHRI V K SREEKANDAN:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether it is a fact that the implementation of the new labour codes could lead to a fall in building cess collection, if so, the details thereof;**
- (b) whether it is also true that this will specifically affect the welfare activities of institutions like Kerala Building Construction Welfare Board, etc.;**
- (c) whether this issue was discussed in the recently held State Labour Ministers and Secretaries meeting in Delhi; and**
- (d) if so, the details thereof?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SUSHRI SHOBHA KARANDLAJE)**

(a) to (d): The Building and Other Construction Workers' Welfare Cess Act, 1996, *inter alia*, provides for levy and collection of cess at such rate not exceeding two per cent but not less than one per cent of the cost of construction incurred by an employer, as the Central Government may notify. The provisions of Act, including levy of cess, have been subsumed in the Code on Social Security, 2020.

The utilization of cess fund as per the mandate of the Act was also discussed in the meeting of State Labour Ministers and Secretaries held in Delhi during 29th to 30th January, 2025.
