

LOK SABHA
UNSTARRED QUESTION NO. 2360

TO BE ANSWERED ON MONDAY, DECEMBER 15, 2025/AGRAHAYANA 24, 1947 (SAKA)

INCREASE IN CESS AND SURCHARGE COLLECTIONS

2360. MS SAYANI GHOSH:

Will the Minister of FINANCE be please to state:

- (a) whether it is a fact that the collection from various cesses and surcharges have increased substantially since 2014, if so, the details of total cess and surcharge collections and their percentage share in the total tax pool, year-wise;
- (b) whether it is true that cesses and surcharges being outside the divisible pool, have reduced the tax share devolved to States, if so, whether the Government has assessed its fiscal impact on State finances and if so, the details thereof;
- (c) the total amount of cess and surcharge collected under each category but not spent along with the reasons for such large unspent balance; and
- (d) whether the Government proposes to release/share a portion of the unspent cess and surcharge funds with the States or bring these levies back into the divisible pool to ensure equitable fiscal distribution and if so, the details thereof?

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

(a): Year-wise detail of Collections of major cesses and surcharges (in operation) during FY 2014-15 to FY 2025-26 and their share as a percentage of Gross Tax Revenue is enclosed as **Annexure 'A'**.

(b): Tax shares are devolved to the States based on recommendation of successive Finance Commissions. As a percentage of divisible Pool, the states share devolved to States increased from 32% in 2014-15 to 41% in 2025-26.

Year-wise detail of devolutions made to the States since FY 2014-15 is enclosed as **Annexure 'B'**.

(c): Proceeds from the cesses and surcharges are collected and deposited in Consolidated Fund of India in terms of Articles 266 of the Constitution of India. The balances in the Consolidated Fund of India close every Financial Year, this implies that there are no unspent balances of cesses in the Consolidated Fund of India.

The details of the collections and utilizations under major cesses since FY 2014-15 is enclosed as **Annexure 'C'**.

(d): Taxes levied and distributed between the Union and the States are governed by Article 270(1) of the Constitution of India. This Article exempts cesses and surcharges from distribution between the Union and the States and hence do not form part of the divisible Pool. In the true spirit of fiscal federalism, Government of India during this financial Year has till date released 2 additional instalments of tax devolution (instead of 9 instalments Government of India has released 11 instalments till date).

Statement showing details of Cesses & Surcharges levied and collected as part of principal taxes

(₹ crore)

Sr No	Name of the levy and tax receipt heads	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	RE 2024-25	BE 2025-26
CESSES IN OPERATION:													
1	AGRICULTURE INFRASTRUCTURE & DEVELOPMENT CESS	...	...	...	...	...	...	...	76950.68	74142.03	80923.60	75180.00	80030.00
2	CESS ON CRUDE OIL	14655.05	14310.69	12618.31	13579.21	17814.23	14062.49	10894.44	19353.84	21497.14	18803.41	17810.00	19330.00
3	CESSES ON EXPORTS	1179.06	122.39	177.21	384.56	1690.23	5759.14	9214.64	1457.10	852.44	-3.19	10.00	11.00
4	HEALTH CESS	...	...	...	...	...	...	-13.52	31.02	24.01	22.90	30.00	35.00
5	HEALTH & EDUCATION CESS	...	...	...	...	41177.44	39131.10	35821.55	52732.33	61809.29	71156.96	85300.00	94000.00
6	NATIONAL CALAMITY CONTINGENT DUTY	3732.55	5172.93	6426.20	2938.44	1797.80	2380.44	5098.81	6138.30	7168.30	7812.25	9610.00	10380.00
7	ROAD AND INFRASTRUCTURE CESS*	25121.95	69539.98	72399.53	83132.29	110847.16	122424.32	235782.55	195986.96	59234.95	44552.49	45250.00	47420.00
A	Total (1 to 7)	44688.61	89145.99	91621.25	100034.50	173326.86	183757.49	296798.47	352650.23	224728.16	223268.42	233190.00	251206.00
% share of cess [without GST Compensation Cess] w.r.t GTR		3.6%	6.1%	5.3%	5.2%	8.3%	9.1%	14.6%	13.0%	7.4%	6.4%	6.1%	5.9%
B	GOODS & SERVICES TAX COMPENSATION CESS	...	...	...	62611.59	95080.71	95553.09	85191.91	104768.66	125862.41	141436.16	153440.00	167110.00
C	Total (A+B)	44688.61	89145.99	91621.25	162646.09	268407.57	279310.58	381990.38	457418.89	350590.57	364704.58	386630.00	418316.00
% share of GST Compensation Cess w.r.t GTR		-	-	-	3.3%	4.6%	4.8%	4.2%	3.9%	4.1%	4.1%	4.0%	3.9%
SURCHARGES:													
1	Corporation Tax	14302.20	17754.06	20109.73	21439.48	25448.59	19053.92	14078.57	15890.00	55103.79	60373.34	60000.00	70000.00
2	Taxes on Income other than Corporation Tax	1400.10	1565.16	2298.97	3211.77	4291.69	5236.92	5537.78	7922.88	53914.24	54793.80	76000.00	85000.00
3	Fringe Benefit Tax	0.04	0.03	0.01	...	0.01	...	0.37	...	...	...	...	...
4	Social Welfare Surcharge under Customs	...	...	...	1221.88	8871.19	8796.12	13447.39	16945.06	16178.79	16273.41	17250.00	17500.00
D	Total (1 to 4)	15702.34	19319.25	22408.71	25873.13	38611.48	33086.96	33064.11	40757.94	125196.82	131440.55	153250.00	172500.00
% share of surcharge w.r.t GTR		1.3%	1.3%	1.3%	1.3%	1.9%	1.6%	1.6%	1.5%	4.1%	3.8%	4.0%	4.0%

*Includes additional duty of excise on petrol and diesel, which were known as 'road cess' before introduction of 'road and infrastructure cess'.

Year-wise details of devolution of States' Share of Union Taxes and Duties since FY 2014-15.

Financial Year	(₹ Lakh crore)
2014-15	3.38
2015-16	5.06
2016-17	6.08
2017-18	6.73
2018-19	7.61
2019-20	6.51
2020-21	5.95
2021-22	8.83
2022-23	9.48
2023-24	11.29
2024-25(RE)	12.87
2025-26(BE)	14.22

Collections and Utilizations under major Cesses¹

1. Prarambhik Shiksha Kosh (PSK), Madhyamik and Uchchatar Shiksha Kosh (MUSK) and Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)

(₹crore)

Year	Collection (Health and Education Cess) (A)	(Transfer/ Utilisation) (B)	Balance (A) – (B)
2014-15	36178.49	22323.19	13855.30
2015-16	28023.03	19298.16	8724.87
2016-17	30248.07	19732.47	10515.60
2017-18	31656.11	19139.80	12516.31
2018-19	41309.08	37836.88	3472.20
2019-20	39240.55	41308.40	-2067.85
2020-21	35894.82	70735.46	-34840.64
2021-22	52750.27	78286.97	-25536.70
2022-23	61813.92	70589.27	-8775.35
2023-24	71158.60	80009.96	-8851.36
2024-25 (RE)	85300.00	87198.73	-1898.73
2025-26 (BE)	94000.00	103000.00	-9000.00
Total	607572.94	649459.29	-41886.35

#Reserve Funds viz Madhyamik & Uchhatar Shiksha Kosh (MUSK) and Pradhan Mantri Swasthya Surakashi Nidhi (PMSSN) have been operationalized from FY 2022-23 after obtaining approval of C&AG in December, 2022. Amount transferred under MUSK during the FY 2018-19 to FY 2021-22; and under PMSSN during the FY 2020-21 to FY 2021-22 are as per Revised Estimate (RE) related to the respective year(s).

2. CENTRAL ROAD AND INFRASTRUCTURE FUND

(₹crore)

Year	Collection* (Road and Infrastructure Cess) (A)	(Transfer/ Utilisation) (B)	Balance (A)-(B)
2014-15	25121.95	25777.94	-655.99
2015-16	69539.98	43175.10	26364.88
2016-17	72399.53	51853.58	20545.95
2017-18	83132.29	58521.63	24610.66
2018-19	110847.16	62879.64	47967.52
2019-20	122424.32	90252.40	32171.92
2020-21	235782.55	182363.47	53419.08
2021-22	195986.96	251738.18	-55751.22
2022-23	59234.95	239646.25	-180411.30
2023-24	44552.49	47777.66	-3225.17
2024-25 (RE)	45250.00	39777.90	5472.10
2025-26 (BE)	47420.00	41000.00	6420.00
Total	1111692.18	1134763.75	-23071.57

*Includes additional duty of excise on petrol and diesel, which were known as 'road cess' before introduction of 'road and infrastructure cess'.

3. NATIONAL DISASTER RESPONSE FUND

(₹crore)

Year	Collection [National Calamity Contingent Duty] (A)	(Transfer/ Utilisation) (B)	Balance (A)-(B)
2014-15	3732.55	3460.88	271.67
2015-16	5172.93	5695.70	-522.77
2016-17	6426.20	6450.00	-23.80
2017-18	2938.44	3660.00	-721.56
2018-19	1797.80	2500.00	-702.20
2019-20	2380.44	2480.00	-99.56
2020-21	5098.81	5820.00	-721.19
2021-22	6138.30	6134.60	3.70
2022-23	7168.30	8000.49	-832.19
2023-24	7812.25	8801.21	-988.96
2024-25 (RE)	9610.00	9610.00	0.00
2025-26 (BE)	10380.00	10380.00	0.00
Total	68656.02	72992.88	-4336.86

4. AGRICULTURE INFRASTRUCTURE & DEVELOPMENT FUND

(₹crore)

Year	Collection (Agriculture and Infrastructure Cess) (A)	(Transfer/Utilisation) (B)	Balance (A) - (B)
2021-22	76950.68	...	76950.68
2022-23	74142.03	...	74142.03
2023-24	80923.60	120714.39	-39790.79
2024-25 (RE)	75180.00	138822.37	-63642.37
2025-26 (BE)	80030.00	117676.85	-37646.85
Total	387226.31	377213.61	10012.70

* The Cess is being levied in pursuance of Finance Act, 2021.

5. OIL INDUSTRY DEVELOPMENT FUND

(₹crore)

Year	Collection* (Cess on Crude Oil) [#] (A)	(Transfer/ Utilisation) (B)	Balance (A)-(B)
2014-15	14677.24	...	14677.24
2015-16	14468.94	...	14468.94
2016-17	12778.20	...	12778.20
2017-18	14246.20	...	14246.20
2018-19	18556.09	...	18556.09
2019-20	15800.92	...	15800.92
2020-21	11474.15	...	11474.15
2021-22	19324.29	...	19324.29
2022-23	21629.22	...	21629.22
2023-24	18803.41	...	18803.41
2024-25 (RE) [^]	17810.00	17730.00	80.00
2025-26 (BE) [^]	19330.00	19376.03	-46.03
Total	198898.66	37106.03	161792.63

The Cess is being levied under Oil Industry (Development) Act, 1974

[^] The Reserve Fund in the Public Account of India has, however, been operationalized, going forward, from FY 2024-25.

*Collection data till FY 2022-23 is taken from Annual report 2022-23 of Oil Industry Development Board.

6. GOODS & SERVICES TAX COMPENSATION FUND

(₹crore)

Year	Collection (GST Compensation Cess) (A)	(Transfer/ Utilisation) (B)	Balance (A)-(B)
2014-15	...	...	...
2015-16	...	...	...
2016-17	...	...	...
2017-18	62611.59	56146.00	6465.59
2018-19	95080.71	54275.00	40805.71
2019-20	95553.09	153910.29	-58357.20
2020-21	85191.91	106317.00	-21125.09
2021-22	104768.66	110795.47	-6026.81
2022-23	125862.41	163506.29	-37643.88
2023-24	141436.16	143109.49	-1673.33
2024-25 (RE)	153440.00	153440.00	...
2025-26 (BE)	167110.00	167110.00	...
Total	1031054.53	1108609.54	-77555.01