

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

STARRED QUESTION NO. *96
TO BE ANSWERED ON FRIDAY, THE 29TH APRIL, 2016
9TH Vaisakha, 1938 (SAKA)

EDUCATION CESS

*96. SHRI BHARTRUHARI MAHTAB:

SHRI SANJAY DHOTRE

Will the Minister of FINANCE be pleased to state:

- (a) the details of the education cess levied, modus operandi of its allocation and amount collected on income tax since its inception across the country;
- (b) whether the Government has utilised the education cess collected so far, if so, the details thereof and if not, the reasons therefor;
- (c) the details of the schemes/ programmes identified so far for utilisation of education cess;
- (d) whether the Government has conducted any study for utilisation of education cess before imposing it on income tax; and
- (e) if so, the details thereof and if not, the reasons therefor along with the other steps taken/being taken by the Government for effective use of the corpus collected by the Government through education cess?

ANSWER
FINANCE MINISTER
(SHRI ARUN JAITLEY)

(a) to (e): A Statement is laid on the Table of the House.

**STATEMENT AS REFERRED TO IN REPLY TO PARAs (A) to (E) OF LOK
SABHA STARRED QUESTION NO. *96 FOR ANSWER ON 29TH APRIL, 2016 / 9TH
VAISAKHA, 1938 (SAKA) REGARDING EDUCATION CESS**

(a) to (c) Details of education cess, which is additional surcharge for purposes of the Union, levied are as under:

- (i) "Education Cess on income-tax", calculated at the rate of two per cent of the income-tax and surcharge so as to fulfill the commitment of the Government to provide and finance universalised quality basic education,
- (ii) "Secondary and Higher Education Cess on income-tax", calculated at the rate of one per cent of the income-tax and surcharge so as to fulfill the commitment of the Government to provide and finance secondary and higher education.

(iii) Education cess collected under indirect taxes is leviable @ 2% on the aggregate duties of Customs. Secondary and Higher Education Cess is leviable @1% on the aggregate duties of Customs. Education Cess & Secondary and Higher Education Cess on excisable goods were subsumed in Central Excise Duty, w.e.f 1.3.2015, and standard CENVAT rate was rationalized at 12.5%. Education cess and Secondary and Higher Education cess on taxable services was subsumed in Service Tax, which was rationalized at 14%, w.e.f. 1.6.2015.

Financial Year	Education Cess collected under Direct Taxes (Rs. in Crore)		
	Primary Education Cess	Secondary & Higher Education Cess	Total Education Cess
2004-05	1787.39	0	1787.39
2005-06	1490.07	0	1490.07
2006-07	4395.23	0	4395.23
2007-08	5977.86	2978.9	8956.76
2008-09	6408.02	3197.32	9605.34
2009-10	7067.72	3533.45	10601.17
2010-11	8479.91	4238.51	12718.42
2011-12	9648.86	4819.62	14468.48
2012-13	10543.88	5267.99	15811.87
2013-14	12041.74	6015.98	18057.72
2014-15	13198.54	6594.82	19793.36
2015-16* up to February 2016	10215.98	5158.56	15374.54

* Provisional

Financial Year	Education Cess collected under Indirect Taxes (Rs. in Crore)		
	Primary Education Cess	Secondary & Higher Education Cess	Total Education Cess
2004-05	2372.41	-	2372.41
2005-06	3828.55	-	3828.55
2006-07	4644.25	212.44	4856.69

2007-08	5702.50	1709.32	7411.82
2008-09	5270.68	2070.62	7341.30
2009-10	4405.79	2057.76	6463.55
2010-11	5860.72	2948.36	8809.08
2011-12	7134.14	3208.54	10342.68
2012-13	10272.62	4556.98	14829.60
2013-14	10644.87	5199.78	15844.65
2014-15	10891.28	5301.49	16192.77
2015-16* up to January 2016	3814.93	1841.01	5655.94

* Provisional

(d) and (e) Education Cess on income-tax was introduced through Finance (No. 2) Act, 2004 for the first time. This cess was levied as the National Common Minimum Programme (NCMP) mandated for levy of education cess. Further, Secondary and Higher Education Cess on income-tax was introduced through Finance Act, 2007 for the first time. Prarambhik Shiksha Kosh has been created using the Education Cess. The proceeds of Prarambhik Shiksha Kosh are used in the schemes of Sarva Shiksha Abhiyan and Mid Day Meal Scheme and remaining amount is spent on the funding of other schemes of Ministry of Human Resource and Development.
