

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:920
ANSWERED ON:27.07.2001
FLOOR RATE OF SALES TAX
VISHNU DATT

Will the Minister of FINANCE be pleased to state:

- (a) whether in a meeting of State Chief Ministers held on November 16, 1999 , a consensus was arrived at by all the Chief Ministers to implement floor rates of sales tax and to abolish sales tax based incentive schemes with effect from 1st January, 2000 ;
- (b) if so, the States and Union Territories which have not implemented this decision alongwith the reasons ; and
- (c) the steps the Government are contemplating to bring about for compliance by these States/Union Territories ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) : Yes, Sir.

(b)&(c) : Most of the States/Union Territories have implemented these decisions. To ensure full compliance of these decisions, it has been decided in the Conference of Chief Ministers/State Finance Ministers held on 5.7.2001 that there should be no further delay in the implementation of these decisions and all the States/Union Territories should comply fully by 31.7.2001. Otherwise, the Conference resolved, that the Government of India would be taking steps to withhold central assistance and grants to such non-complying States/Union Territories.