

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:5319
ANSWERED ON:29.04.2002
SALES TAX ON AVIATION TURBINE FUEL
AMBATI BRAHMANAIAH

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Indian Airlines has represented that the Sales-tax on ATF (Aviation Turbine Fuel) should be removed as has been done for foreign airlines;
- (b) if so, the reaction of the Government thereto;
- (c) the total Sales-tax paid by Indian Airlines on ATF in 2001-02;
- (d) whether the Government propose to extend subsidy to Indian Airlines if the Sales-tax is not removed in 2002-03; and
- (e) if so, the details of such assistance planned for Indian Airlines?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

- (a): Yes, Sir. Indian Airlines has suggested an exemption from sales tax on ATF for international operations. In respect of domestic operations, the request is for categorizing ATF as `Declared Goods` under the Central Sales Tax Act resulting into uniform levy of 4% Sales Tax.
- (b): The proposal is under active consideration of the Government.
- (c): Sales Tax on ATF for Indian Airlines including Alliance Air works out to Rs.175 crores for 2001-2002.
- (d) and (e): At present, no such proposal is under consideration of the Government.