

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5287

ANSWERED ON:29.04.2005

TAX ON SALT

Gadhavi Shri Pushpdan Shambhudan;Gaikwad Shri Eknath Mahadeo;Hamza Shri T.K.;Mehta Shri Alok Kumar;Yadav Shri Anirudh Prasad (Sadhu)

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to tax processed branded salt in the country;
- (b) if so, the reasons therefor;
- (c) the revenue that the proposed tax will yield;
- (d) whether the proposed tax will drive people to go for non-iodized salt;
- (e) if so, the steps being taken by the Union Government to protect consumers from the ill effects of non-iodised salt;
- (f) whether representation for withdrawal of tax on iodised salt have been received by the Union Government; and
- (g) if so, the details thereof alongwith reaction of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (e): VAT is a tax intended to replace the State Sales Tax. Hence, the Central Government has no role to play either in imposing VAT on any particular item or exempting any item from VAT. An Empowered Committee of State Finance Ministers was set up to decide on all issues relating to implementation of State level VAT. The Empowered Committee, in its meeting held on 26th April, 2005 has decided that salt, branded or otherwise shall be exempt from VAT.

(f) : Yes, Sir.

(g): The representations were forwarded to Member Secretary, Empowered Committee of State Finance Ministers for consideration.