

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:68  
ANSWERED ON:10.08.2007  
TAX SHARING BETWEEN CENTRE AND STATES  
Ahir Shri Hansraj Gangaram

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

to reply given to Lok Sabha SQ 251 on December 8, 2006 and state :

- (a) whether any decision has been arrived regarding collection and appropriation of service tax by States on certain specified services;
- (b) if so, the details thereof and action taken thereon; and
- (c) if not, the reasons for the delay?

**Answer**

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

(a), (b) and (c): As desired by the States, during 2007-08, Central Government continues to collect service tax on services specified in the Annexure and transfer the tax proceed to the States through the budgetary process.