

**GOVERNMENT OF INDIA
TOURISM
LOK SABHA**

STARRED QUESTION NO:275

ANSWERED ON:20.12.2004

HIKE IN RATES OF HOTELS AND LUXURY TAX

Gadhavi Shri Pushpdan Shambhudan;Reddy Shri S.P.Y.

Will the Minister of TOURISM be pleased to state:

- (a) Whether with the hike in hotel rates and levy of luxury tax, the foreign tourists inflow in the country has declined and outwards bound domestic tourists traffic has increased;
- (b) if so the, details of assessment, if any, made by the Government during the last one year;
- (c) whether the Government proposes to attract tourists in the country by lowering the rate of luxury tax; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE) (SMT. RENUKA CHOWDHURY)

(a),(b),(c) and (d): A Statement is laid on the Table of the Sabha.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO.275 ANSWERED ON 20.12.2004 REGARDING VISIT OF FOREIGN TOURISTS.

(a) and (b) : An increase of about 14 per cent in foreign tourist arrivals to India was witnessed in the year 2003 over the year 2002. Further, during the year 2004 (January - November) also, a growth of about 24 per cent has been estimated over the same period of last year.

About 5.35 million tourists travelled abroad during the year 2003 against 4.94 million during the year 2002.

(c) and (d) : Expenditure tax on hotels levied by the Central Government has since been withdrawn. Other taxes on hotels are levied by the States who have been requested to rationalize these taxes including the luxury tax.