

**GOVERNMENT OF INDIA  
HUMAN RESOURCE DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2575

ANSWERED ON:18.03.2008

EDUCATION CESS

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**Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:**

- (a) the details of Education Cess collected during each of the last three years and in the current year;
- (b) the amount disbursed to each State/Union Territory, out of the amount collected during the said period;
- (c) the amount utilized by each State/Union Territory during the said period;
- (d) the details of the balance amount remaining with the Union Government, indicating the scheme on which the said amount is likely to be utilized; and
- (e) the criteria adopted for disbursement of this amount to State Government/Union Territory?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRI M.A.A.FATMI)

(a): As per information furnished by Department of Revenue, Ministry of Finance, the amount collected on account of Education Cess @ 2% on major Central Taxes is as follows:

Year	Amount (Rs. in Crores)
2004-05	4176.51
2005-06	7134.32
2006-07	9196.26
2007-08	3725.06
(April-December, 2007)	(amount collected on account of Education Cess on Direct Taxes)
2007-08	3646.00
(April, 2007- January, 2008)	(amount collected on account of Education Cess on Indirect Taxes)

(b) to (e): Education Cess is not a part of the net proceeds of the divisible pool of sharable taxes based on constitutional provisions and as per the recommendations of the Twelfth Finance Commission. The proceeds of Education Cess credited into a non-lapsable fund called Prarambhik Shiksha Kosh (PSK) are utilized exclusively for Sarva Shiksha Abhiyan (SSA) and Mid-Day Meal (MDM) Scheme. Expenditure on SSA and MDM Scheme is incurred from PSK after the funds provided by way of Gross Budgetary Support (GBS) are fully utilized. No specific allocation is made separately to States/UTs against the amount collected through Education Cess. Assistance under PSK is released to States/UTs as per the schematic pattern and budgetary allocation for SSA and MDM Scheme.