

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2945

ANSWERED ON:17.12.2004

SHARE OF STATES IN SERVICE TAX

Angadi Shri Suresh Chanabasappa;Kamat Shri Gurudas;Ramadass Prof. M;Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Government have demanded that Centre should share with them the service tax on a 50:50 basis;
- (b) if so, the details thereof;
- (c) the issues discussed in the just concluded meeting of State Finance Ministers with the Central Government; and
- (d) the reaction of the Central Government on these demands from the State Governments?

Answer

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

(a), (b), (c) & (d): A meeting of Finance Ministers of States/Union Territories to discuss the modalities of levy, collection and distribution of the proceeds of the Service Tax between the Centre and the States was held on 30.11.2004 in New Delhi. The State Governments, inter-alia, expressed varying views on sharing of the proceeds of Service Tax between the Centre and the States. Some of the State Governments also expressed the view that the proceeds of Service Tax be shared between Centre and States on 50:50 basis.