

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:831
ANSWERED ON:04.03.2005
LUXURY TAX
Adsul Shri Anandrao Vithoba

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Governments levy luxury tax on goods which amounts to double taxation;
- (b) if so, the details of such States;
- (c) whether the State Governments are competent to levy luxury tax on goods; and
- (d) if not, the instructions issued by the Union Government in this regard?

Answer

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

a) to (d): Luxury Tax on goods was levied by many State Governments. Recently, Hon'ble Supreme Court has ruled that State Governments are not competent to levy luxury tax on goods.