

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4642

ANSWERED ON:23.04.2010

SERVICE TAX ON AIR TRAVEL

Anandan Shri K.Murugeshan;Botcha Lakshmi Smt. Jhansi;Vivekanand Dr. G.

Will the Minister of FINANCE be pleased to state:

- (a) whether the imposition of service tax on air travel/civil aviation has been reviewed;
- (b) if so, the details of the findings along with reaction of the Government thereto;
- (c) if not, the reasons therefor;
- (d) whether International Air Transport Association (IATA) has requested the Government not to impose Service Tax on air travel; and
- (e) if so, the details along with response thereto?

Answer

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

- (a) No, Sir.
- (b) Does not arise, in view of reply to (a) above.
- (c) Service tax has been proposed on air travel taking into account several factors such as the need to expand the tax base and augment revenue.
- (d) Yes, Sir.
- (e) A representation dated 11 March 2010 has been received from the International Air Transport Association (IATA), seeking full roll back of service tax on domestic and international air travel so that the growth momentum of the aviation industry is maintained. It has not been found feasible to accede to the representation.