

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:5063  
ANSWERED ON:27.08.2010  
IMPOSITION OF DUTY ON PRODUCTION OF ELECTRICITY  
Satpathy Shri Tathagata

**Will the Minister of POWER be pleased to state:**

- (a) whether some of the State Governments including Orissa has requested the Union Government to impose duty on the production of electricity;
- (b) if so, the details thereof; and
- (c) the action taken by the Government thereon?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRI BHARATSINH SOLANKI)

(a) : The proposals for Imposition of duty on production of electricity by the Government of Himachal Pradesh and Orissa have come to the notice of the Ministry.

(b) & (c): Based on the advice sought by the Ministry from the Attorney General of India, the State Governments have been informed that according to the provisions in the Constitution of India, the States have the legislative competence to impose tax only on the consumption or sale of electricity but not on the generation of electricity.

The Government of Orissa is also being informed in the matter accordingly.