

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2232

ANSWERED ON:06.08.2010

VAT ON PETROL AND DIESEL

Mahto Shri Baidyanath Prasad; Rama Devi Smt. ; Shetkar Shri Suresh Kumar

Will the Minister of FINANCE be pleased to state:

(a) the rates of Value Added Taxes (VAT) charged on each item of petroleum products. State-wise;

(b) whether the Union Government is monitoring the local level taxes charged by the State Governments with a view to do away with changes of rise in inflation; and

(c) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a), (b) & (c): The Value Added Tax is a State subject under the Constitution of India. Hence, this information is not maintained centrally. It is also not possible for the Central Government to issue directions to the State Governments on a matter that falls in the State list. Nevertheless the Central Government has, from time to time brought to the attention of the States the inflationary Impact of high State sales tax on basic petroleum products.