

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2921

ANSWERED ON:18.08.2011

TAXES ON USE OF ETHANOL

Ganpatrao Shri Jadhav Prataprao;Singh Shri Ijyraj

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether many State Governments have levied various types of taxes on the usage of Ethanol hampering the implementation of Ethanol Blended Petrol programme (EBP);
- (b) if so, the names of the States and types of taxes levied;
- (c) the initiatives taken by the Union Government to take up the matter with State Governments to waive off these taxes; and
- (d) the outcome of the action taken thereto?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a) & (b) State Governments levy various types of taxes and duties on the usage of Ethanol like CST, VAT/ST, Import/Export Fee, Purchase Tax, License Fee etc., which differs from state to state. A list detailing the taxes/duties levied by various State Governments is enclosed as Annexure-'A'.

(c) & (d) In order to bring uniformity in procedure/taxation policy in the States/UTs on the usage of Ethanol, the Government has taken up the matter with State Governments to reduce/remove duties and taxes. Some of the States like Chhattisgarh, West Bengal, Madhya Pradesh and Rajasthan etc. have exempted/ reduced the import and export fee.

Details of action taken by State Governments to rationalize taxes and procedures are enclosed as Annexure -'B'.