

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3919
ANSWERED ON:26.08.2011
STATE LEVIES ON FUEL
Choudhry Smt. Shruti

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has urged States to cut/reduce State levies on fuel; and
- (b) if so, the details thereof and action taken so far by each State in this regard, especially Haryana?

Answer

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

(a) & (b): Yes, Madam. A letter was written by the Union Finance Minister to the Chief Ministers of all the States on 26th June, 2011 requesting them to consider reducing State levies like sales tax/VAT on Diesel, Kerosene and Domestic LPG in line with the duty cuts undertaken by the Central Government, so as to provide some relief to the common man. It was an advisory and States were not requested to report back action taken. The response of the States and changes made in tax rate on these items are therefore not available with the Central Government, except that of Haryana. Government of Haryana, after receipt of Union Finance Minister's letter, has exempted levy of tax on sale of Kerosene Oil sold through the Public Distribution System with effect from 19th July, 2011.