

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4761  
ANSWERED ON:07.08.2009  
REDUCTION EV SALES TAX  
Ponnam Shri Prabhakar

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

- (a) whether the Government has advised the States to reduce the sales tax on the petroleum products;
- (b) if so, the details thereof; and
- (c) the time by when such sales tax is likely to be reduced?

**Answer**

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

(a) to (c): The sales tax on petroleum products is levied by the State Governments by virtue of Entry 54 of List II of the Seventh Schedule of the Constitution. However, with the objective of containing the adverse effects of the global oil price rise, the Central Government had requested the Empowered Committee of State Finance Ministers in June, 2008 to consider reducing the sales tax on petroleum products. Since the decision on the sales tax rates on petroleum products falls under the purview of the State Governments, no time frame can be given by the Central Government in this regard.