GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5977
ANSWERED ON:11.05.2012
POLICY ON TAXATION OF POLLUTANTS
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Will the Minister of FINANCE be pleased to state:

(a) the position regarding taxation policies of pollutants, if any;

(b) the manner in which the Government has/propose to sychronise with respect to the issue of sustainable development;

(c) the details of inputs sought from agencies/countries, if any; and

(d) the steps proposed to be taken thereon?

Answer

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

(a): The emphasis of tax policy on pollutants has been on providing incentives for the adoption of technologies or products such as new and renewable energy, non-ozone depleting substances , Compressed natural gas etc that are environmentally friendly rather than imposing a higher tax on pollutants.

(b): India is actively involved in the activities directed towards renewed political commitment for sustainable development as member state of United Nations Conference on Sustainable Development, also known as Rio+20.

(c): Based on inputs received from the member states and other stakeholders, the Co-chairs of Rio+20 have prepared a document which is under negotiation. For preparing the national position of India on sustainable development issues, inter-ministerial consultations were conducted and four Inter-ministerial groups, facilitated by organizations such as Madras School of Economics, The Energy and Resources Institute (TERI) and MS Swaminathan Foundation were set up which in turn consulted with civil society and corporate sector.

(d): In accordance with the principle of `polluter pays`, a Clean Energy Cess has been imposed in the budget 2010-11 on Coal, lignite and peat. Further, exemptions from the customs duty or excise duty have been provided for the renewable energy sources like Solar Energy, wind energy, power generation from other non-conventional sources, CNG Kits, electric vehicles, compact Fluorescent Lamps, LED lights etc.