

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6938  
ANSWERED ON:18.05.2012  
REDUCTION IN VAT  
Rane Dr. Nilesh Narayan

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

- (a) whether the Union Government has received requests/representations from various shopkeepers of the country for decreasing the Value Added Tax on tobacco and cigarettes from 20 per cent to 12.5 per cent;
- (b) if so, the details thereof; and
- (c) the decision being taken by the Government in this regard?

**Answer**

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

- (a) No, Madam,
- (b) Does not arise in view of (a) above.
- (c) By virtue of entry 54 of List II of the Seventh Schedule of the Constitution of India, VAT is a State subject. Any decision regarding reduction of VAT has to be taken by the State Governments concerned.