

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:726
ANSWERED ON:01.03.2013
EXCISE AND SERVICES TAX
Ramasubbu Shri S.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Vijay Kelkar Committee Report on Fiscal Consolidation has recommended for lowering of excise and service tax to 8 per cent;
- (b) if so, the details thereof;
- (c) whether the Government has taken any steps to implement its recommendations;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

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

- (a) & (b): Yes, Sir. In its Report, the Committee on Roadmap for Fiscal Consolidation has recommended, interalia, that the standard rate of 12 percent should be reduced to align with the GST rate. of 8 percent proposed for the Central GST.
- (c), (d) and (e): In view of resource constraints, it has not been found possible to reduce the standard rate of excise duty and service tax from 12 percent to 8 percent at present