

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:4568
ANSWERED ON:21.02.2014
TAXES ON PETROLEUM PRODUCTS
Premajibhai Dr. Solanki Kiritbhai

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Union Government has issued instructions to State/UT Government to reduce State level taxes on diesel, kerosene, petrol and cooking gas to provide relief to the common man and mitigate the impact of recent price hike of these products; and

(b) if so, the details thereof and the response of the State/UT Governments, thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SMT. PANABAACA LAKSHMI)

(a) & (b): In the recent past, no such request has been made to the State Government to reduce State level taxes on Diesel, Kerosene and Domestic LPG. However, at the time of increases in price of Diesel, PDS Kerosene and Domestic LPG in June 2011, the Union Government had requested State Governments to reduce the State levies. In response, 17 State Governments had reduced State VAT/ Sales tax on Diesel/ PDS Kerosene/ Domestic LPG. There has been no increase in the Retail Selling Price (RSP) of PDS Kerosene and Subsidized Domestic LPG since then. Further, the RSP of Petrol has already been made market determined since 26.6.2010.