

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1532
ANSWERED ON:27.11.2009
TAX ON PETROL DIESEL
Rajesh Shri M. B.

Will the Minister of FINANCE be pleased to state:

- (a) the rate of the central taxes levied on petrol and diesel;
- (b) the total amount collected by the Central Government as tax revenue from the petrol and diesel during each of the last three years and the current year till date; and
- (c) the reasons for increase/decrease in the revenue generation in this regard and steps taken thereon?

Answer

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

(a) Taxes levied and collected by the Central Government are the central excise duty on manufactured goods and customs duty on imported goods. Presently petrol and diesel attract a basic customs duty of 2.5% ad valorem.

Central Excise duty rates are as under:

Product Excise duty (per litre)

Unbranded Petrol Rs. 13.35

Branded Petrol Rs. 14.50

Unbranded Diesel Rs. 3.60

Branded Diesel Rs. 4.75

The excise duty includes additional excise duty and special additional excise duty. In addition, an 'Education Cess on excisable goods' of 2%, and 'Secondary and higher Education Cess on excisable goods' of 1% on the aggregate of duties of excise is charged on these goods.

(b) Central excise duty collected on these goods for the last three years & in the current year up to Sept, 2009 is as follows:

(in Rs Crore)

2006-07	2007-08	2008-09	2009-10
			(up to Sept.2009)

Petrol 18303 20106 21075 12015

Diesel 25060 24153 21824 10664

Since these products are predominantly manufactured in India, the customs revenue from their imports is not significant.

(c) Central excise revenue collection depends on the demand, percentage of demand met from the domestic production and the applicable rate of duty. The rates of excise duty on these products were reduced during 2008-09 to contain inflation.