

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2277

ANSWERED ON:11.12.2015

Swachh Bharat Mission

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has imposed/proposes to impose cess to support Swachh Bharat Mission , if so, the details thereof along with the scope of its imposition across goods and services;
- (b) the targeted funds likely to be generated by the imposition of the above cess in the next three years;
- (c) the criteria/guidelines formulated by the Government for allocation and evaluation of the funds for implementation of various projects in States along with the types of projects including the activities related to behavioural change under the Swachh Bharat Mission;
- (d) whether the Government plans to obtain funds from other sources, besides imposition of cess, for Swachh Bharat Mission, if so, the details thereof; and
- (e) whether the Government has received any representations from the stakeholders to postpone the imposition of the cess, if so, the details thereof and the action taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

- (a): Yes, Government has imposed Swachh Bharat Cess for the purposes of financing and promoting Swachh Bharat Mission, on all taxable services (other than the services in the negative list or services exempted from whole of service tax by a notification) at the rate of 0.5per cent. on the value of such taxable services.
- (b): No targets of funds likely to be generated by the imposition of above cess have been made for the next three years.
- (c): A key strategy under Swachh Bharat Mission is behavioural change communication to ensure that sanitation as an issue is mainstreamed with the general public at large and should cover issue of open defecation, prevention of manual scavenging, hygiene practices, proper use and maintenance of toilet facilities(household, community or otherwise) and its related health and environmental consequences. The funds accruing from cess will be utilized for, inter alia, Swachh Bharat Mission (Rural) and (Urban) as per the existing guidelines of these schemes. The Swachh Bharat Mission (Rural) [SBM-Rural] aims at accelerating sanitation coverage to achieve Swachh Bharat by 2nd October, 2019. The allocation of funds is made on the basis of the demand raised by the States as part of their Annual Implementation Plan, performance of the States and availability of resources. The SBM-Rural provides for construction of individual toilets, community sanitary complexes and solid and liquid waste management. 8% of total allocation is to be utilized on Information, Education and Communication (IEC) activities, including interpersonal communication. For SBM-Urban, a total of 15% of the total central allocation shall be earmarked to undertake massive public awareness campaigns on sanitation and establishing its link to public health, hygiene and the environment through various means including radio, social media, documentaries, plays, workshops.
- (d): Apart from Swachh Bharat Cess, funds are proposed to be generated through other resources, but not limited to,-(i) private sector participation, (ii) additional resources from State Governments/urban local bodies, (iii) beneficiary share, (iv) user charges, (v) land leveraging, (vi) innovative revenue streams through budgetary resources, (vii) Corporate Social Responsibility, (viii) Market borrowings (ix) External borrowings.
- (e): Yes, Government has received representations expressing concern in lack of clarity on admissibility of Cenvat Credit, value of services under presumptive model of taxation, effective rate of tax on services taxable at an abated rate, paucity of time and procedural aspects like accounting codes. Most of the concerns were addressed by issuing notifications in this regard and posting them alongwith FAQs (frequently asked questions) regarding Swachh Bharat Cess (SBC) on www.cbec.gov.in website. Suitable Press Releases were also issued.
