

**GOVERNMENT OF INDIA
SKILL DEVELOPMENT AND ENTREPRENEURSHIP
LOK SABHA**

UNSTARRED QUESTION NO:4079

ANSWERED ON:23.12.2015

Cess on Income/Corporate Tax for Skill Development

Diwakar Shri Rajesh Kumar;Gavit Dr. Heena Vijaykumar;Jayavardhan Dr. Jayakumar;Mahadik Shri Dhananjay Bhimrao;P. Shri Nagarajan;Raut Shri Vinayak Bhaurao;Satav Shri Rajeev Shankarrao;Shewale Shri Rahul Ramesh;Shinde Dr. Shrikant Eknath;Sule Smt. Supriya Sadanand;Udhayakumar Shri M.

Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:

- (a) whether the Government is considering the possibility of levying a 2% cess on individual and corporate income tax to fund its ambitious nationwide skill development programme;
- (b) if so, the details thereof and the aim behind the proposal;
- (c) the target fixed to earn fund through this tax and the manner in which the fund is proposed to be utilised along with the nature of training to be provided;
- (d) the estimated amount required to achieve the targets along with the budget allocation for the year 2015-16 and the steps taken so far to achieve the targets; and
- (e) the time by which a final decision is likely to be taken in this regard?

Answer

a) to (e) Skill development is complimentary to formal education and is essential to increase productivity and employability in the country. In February, 2015, Ministry of Skill Development and Entrepreneurship had submitted a budget proposal for the financial year 2015-16 for levying a skill cess of 2% of the lines of education cess on direct taxation, which could be specifically earmarked for Ministry of Skill Development and Entrepreneurship to steer the Skill India Initiative. However the proposal for skill cess was not included in the Budget 2015-16.