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Title: Need for upward revision of royalty on iron ore and imposition of Mineral Resources Rent Tax on surplus rent received by miners.

SHRI BHARTRUHARI MAHTAB (CUTTACK): Unprecedented boom in iron ore prices in the international market and the insatiable demand for such ore in the export market has resulted in iron ore becoming a highly profitable commodity with the returns from the mining being far in excess of economically acceptable rates. However, the rate of royalty has been kept at 10 per cent of the sale price on ad valorem basis since the year 2009. On the basis of the super normal profits existing, the State had demanded 25% royalty. A study group constituted for the purpose has already submitted its report and there is an urgent need for upward revision of the royalty which is due since August 2012. Odisha is losing on this front daily to a tune of Rs. 5 crores.

Odisha Government has also drawn the attention of Union Government towards imposition of mineral Resources Rent Tax. As there is need to tap super normal profits earned by the mining lessees, especially iron ore, Odisha Government proposed for imposition of mineral Resources Rent Tax (MRRT) at the rate of 50 per cent of the surplus rent (profit) received by the miners.

I urge upon the Government to consider this on priority basis in the interest of the State.
