

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

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LOK SABHA

UNSTARRED QUESTION NO. 1334

TO BE ANSWERED ON FRIDAY THE 22<sup>TH</sup> DECEMBER, 2017  
PAUSHA 01,1939 (SAKA)

TAX LEVIED ON DIESEL AND PETROL

**1334. SHRI N.K PREMACHANDRAN:**  
**SHRI RAM KUMAR SHARMA:**  
**SHRI RAM MOHAN NAIDU KINJARAPU:**  
**SHRI ASADUDDIN OWAISI:**

Will the Minister of FINANCE be pleased to state:

- (a) whether tax levied on diesel and petrol is recovered from consumers at multiple levels from production of crude oil to retailing, if so, the details thereof along with the level-wise rates of taxation;
- (b) the average annual amount of revenue generated from the petroleum industry through the said levels of taxation;
- (c) whether Central Excise and VAT has almost doubled the prices of crude oil, if so, the details thereof and the share of the States/UTs in the excise duty so collected/utilised;
- (d) whether the Government proposes to reduce the taxes levied on petrol and diesel, if so, the details thereof along with the steps taken in this regard to give relief to the consumers;
- (e) the details of cumulative amount in the form of cess and tax collected by the Government per litre of petrol and diesels during the last three years; and
- (f) whether the increase in collection in form of cess and taxes has led to higher subsidies for LPG and kerosene and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SHIV PRATAP SHUKLA)

**(a):** Customs Duty and Central Excise Duty on Petrol and Diesel are levied by Central Government and VAT by State Government. The details of Tax on Petrol and Diesel are as under:

<b>Tax Elements</b>	<b>Petrol</b>	<b>Diesel</b>
Customs Duty	2.5%	2.5%

Excise Duty	Rs.19.48/ litre	Rs.15.33/ litre
State VAT	As per Annexure-1	

**(b):** The total contribution to Central and State Government Exchequer from the petroleum sector, for the year 2016-17, was as below:

(Rs. crore)

Particulars		2016-17
<b>1. Contribution to central Exchequer</b>		
<b>Tax/Duties on Crude oil/gas</b>		
Cess on Crude oil		13285
Royalty on crude oil/gas		4649
Customs Duty		9521
Excise Duty		242691
Service Tax		2956
Others		399
Total		273502
<b>2. Contribution to State Exchequer (Rs. crore)</b>		
<b>Tax/Duties on Crude &amp; Petroleum products</b>		
Royalty on Crude oil/gas		11942
Sales Tax/VAT on POL Products		166378
Octroi, Duties incl. Electricity Duty		3524
Entry Tax/others		7742
Total		189587

**(c):** Crude Petroleum attracts:

-Nil Customs duty

-20% Oil Industry development Cess

-Rs. 50/PMT (National Calamity Contingent Duty-NCCD)

**(d):** Government had reduced the central Excise duty on petrol and diesel by Rs.2/ per litre effective 4<sup>th</sup> October, 2017. Further, the Central Government has requested the State Governments to make reduction in VAT imposed by them on Petrol and Diesel so as to give relief to the consumers. Accordingly, 3 state Governments namely, Gujarat, Maharashtra and Madhya Pradesh and 1 Union Territory (Chandigarh) have reduced the VAT on Petrol and Diesel.

**(e):** Total amount collected in form of cess and tax by the Central Government during last three years is as follow:

Rs. Crore

Name of Duty	2015-16	2016-17	2017-18
1. Additional duty of excise on Motor Spirit	17300	21800	22000
2. Additional duty of excise on high speed diesel oil	52239	59000	59250

3. Special additional duty of excise on motor spirit	18171	21000	21300
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(f): During Financial year 2016-17 LPG (for supply to household domestic consumers) and Kerosene (for ultimate sale through public distribution system) attracted:

- Nil Customs duty
- Nil Excise duty; and
- No cess

**Annexure-I**  
**State-wise Taxes/VAT (in Rs./Ltr.)**

S.No.	State	Petrol (Rs./ltr) As on 1st Dec. 17	Diesel(Rs/ltr)
1.	Andhra Pradesh	19.87	14.64
2.	Assam	16.73	11.24
3.	Bihar	14.52	9.57
4.	Chattisgarh	14.92	13.00
5.	Delhi	13.86	8.64
6.	Goa	8.81	9.14
7.	Gujarat	12.66	12.64
8.	Haryana	13.47	8.57
9.	Himachal Pradesh	14.09	7.75
10.	Jammu & Kashmir	16.05	9.07
11.	Jharkhand	16.00	11.76
12.	Karnataka	15.49	9.12
13.	Kerala	17.73	12.99
14.	Madhya Pradesh	18.39	10.95
15.	Maharashtra- Mumbai, Thane & Navi Mumbai	22.27	12.22
16.	Maharashtra(Rest of State)	21.83	10.88
17.	Meghalaya	13.64	8.02
18.	Mizoram	10.34	5.76
19.	Nagaland	12.71	6.77
20.	Odisha	13.40	12.48
21.	Punjab	18.54	8.58
22.	Rajasthan	16.99	12.28
23.	Sikkim	15.95	8.51
24.	Telangana	18.25	13.04
25.	Uttarakhand	17.00	9.41
26.	Tamil Nadu	17.39	11.88
27.	Uttar Pradesh	16.74	9.41
28.	West Bengal	14.56	9.17
Union Territories			
1.	Chandigarh	11.41	6.77
2.	Dadra Nagar Haveli	12.28	8.69
3.	Daman & Diu	12.26	8.67
4.	Punducherry	12.96	9.82

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