

Indian money stashed in France

*105. SHRI D. RAJA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government of France, on request of the Central Government, had provided the details of Indian money stashed in various banks and financial institutions of France;

(b) if so, the details of those deposits;

(c) whether Government has taken any step to bring back the black money to the country;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) and (b) Government of France, on request of the Central Government, provides the details of bank accounts of Indian taxpayers. On request of the Central Government and persistent follow up, France had also provided the details of Indians having bank accounts in one of the banks of Switzerland in June, 2011. The information received under Double Taxation Avoidance Agreement (DTAA) is covered by the confidentiality provisions of the DTAA.

(c) and (d) To get back the black money to the country, a five pronged strategy has been formulated by the Government which is summarized as under:—

(i) **Joining the global crusade against 'black money'**: (for example our action in G-20, Global Forum on Transparency and Exchange of Information for Tax Purposes, Task Force on Financial Integrity and Economic Development, Financial Action Task Force, UN, OECD, etc.)

(ii) **Creating an appropriate legislative framework**: (Various anti tax evasion measures legislated in existing Act and proposed in the DTC, New DTAA's and TIEAs, amend existing DTAA's)

(iii) **Setting up institutions for dealing with Illicit Funds**: (10 Income Tax Overseas Units, dedicated computerized Exchange of Information [EOI Unit], FIU)

(iv) **Developing systems for implementation**: (new manpower policy); and

(v) **Imparting skills to the manpower for effective action**: (constant training for skill development).

(e) Does not arise.

Tax on petroleum products

*106. SHRI SHYAMAL CHAKRABORTY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the quantum of tax that accrues to Government account if the price of petrol, diesel, LPG, kerosene is raised by one rupee per unit according to the international price; and

(b) the quantum of tax obtained by the respective State Governments in such cases?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI S. JAIPAL REDDY): (a) and (b) The Excise duties on Petrol and Diesel are specific at the rate of ₹ 14.78 per litre and ₹ 2.06 per litre (including education cess) respectively. The Excise duties on PDS Kerosene and Domestic LPG are NIL. Hence, Central Government revenue does not increase with increase in the price of these products.

State taxes comprise of, *inter-alia*, Sales Tax/VAT, Entry Tax, etc. Rates of Sales Tax/VAT are either *ad-valorem* or *ad-valorem* plus specific basis. Whenever there is an increase in Retail Selling Prices (RSPs) of these petroleum products, the State Government's Sales Tax/VAT collection goes up correspondingly, as illustrated below:—

*Impact on the Sales Tax/VAT collection of the Government of
NCT of Delhi with unit (₹ 1) change in RSP*

	Petrol	Diesel	PDS kerosene	Domestic LPG (Rupee per 14.2 kg. cylinder)
	Rupee per litre			
Increase in RSP (excluding Sales Tax/VAT)	1.00	1.00	1.00	1.00
VAT rates in Delhi 20%	12.5%	5%	NIL	
Corresponding increase in VAT collection of Delhi Government	0.20	0.125	0.05	0.00
Increase in RSP (including VAT)	1.20	1.125	1.05	1.00

It is clear from the above analysis that the increase in the RSPs of the petroleum products does not get any additional tax revenue to the Central Government.

In response to the revisions in RSPs of petroleum products, increase in Sales Tax/VAT collection vary from State to State depending upon the prevailing Sales Tax/VAT rate in that State. The current rates of Sales Tax/VAT and other taxes/levies imposed by State Governments on Petrol, Diesel, PDS Kerosene and Domestic LPG are given in the Statement (See below). During 2010-11, State Governments collected an amount of ₹ 78,689 crore from Sales Tax/VAT on the sale of petroleum products.

Statement

State-wise recoverable Sales Tax/VAT rates as of 01.11.2011

Sl. No.	State	Petrol	Diesel	PDS Kerosene	Domestic LPG
1	2	3	4	5	6
1.	Punjab	₹ 1000/kl. (Cess) + 27.5% VAT + 10% Additional Tax on VAT	8.25% VAT + 10% Additional Tax on VAT	5% VAT + 10% Additional Tax on VAT	3.5% VAT + 10% Additional Tax on VAT
2.	Jammu and Kashmir	20% MST + ₹ 3000/kl. (Employment Cess)	12% MST + ₹ 1000/kl. (Employment Cess)	5%	5%
3.	Himachal Pradesh	25%	9.7%	Nil	4%
4.	NCT of Delhi	20%	₹ 250/kl. (Air. Ambience charges) + 12.5% VAT – ₹ 0.375/lt. (VAT Rebate)	5%	Nil
5.	Haryana	20% VAT + 5% Additional Tax on VAT	8.8% VAT + 5% Additional Tax on VAT	Nil	Nil
6.	Chandigarh	₹ 10/kl. (Cess) + 20% VAT	₹ 10/kl. (Cess) + 12.5% VAT	5%	Nil
7.	Assam	27.5%	16.5%	5%	4% VAT – ₹ 14/ Cylinder. (VAT Rebate)
8.	Chhattisgarh	25%	25%	4%	1% Entry Tax
9.	Odisha	1% Entry Tax + 18% VAT	1% Entry Tax + 18% VAT	1% Entry Tax	1% Entry Tax

10. West Bengal	25% Sales Tax + ` 1000/kl. (Cess)	17% Sales Tax + ` 1000/kl. (Cess) – ` 290/kl. (Sales Tax Rebate)	Nil	Nil
11. Jharkhand	20%	18%	5%	5%
12. Maharashtra	25% VAT + ` 1/ltr. (Additional Surcharge)	21%	3%	Nil
13. Madhya Pradesh	1% Entry Tax + 28.75% VAT	1% Entry Tax + 23% VAT	5%	6.47% Entry Tax + 5% VAT
14. Goa	20%	18%	5%	Nil
15. Tamil Nadu	27%	21.43%	5%	Nil
16. Kerala	25.42% Sales Tax + 1% Social Security Cess on Sales Tax	22.6% Sales Tax + 1% Social Security Cess on Sales Tax	4% VAT+ 1% Social Security Cess on VAT	4%
17. Puducherry	15%	14%	Nil	1%
18. Rajasthan	28% VAT + ` 500/kl. (Cess)	18% VAT + ` 500/kl. (Cess) – 0.54/ltr. (Rebate)	Nil	Nil (Subsidy of ` 25/Cylinder)
19. Gujarat	23% VAT + 2% Cess on Town Rate + VAT	21% VAT + 3% Cess on Town Rate + VAT	Nil	Nil
20. Uttar Pradesh	26.55%	17.23%	4% VAT + 1% Additional Tax	Nil
21. Bihar	24.50%	18%	5%	1%

1	2	3	4	5	6
22.	Uttarakhand	25% VAT - ` 0.78/ltr. (VAT Rebate)	21% VAT - ` 0.63/ltr. (VAT Rebate)	Nil	Nil
23.	Karnataka	5% Entry Tax + 25% Sales Tax	5% Entry Tax + 18% Sales Tax	5%	1%
24.	Andhra Pradesh	33%	22.25%	5%	5%
25.	Arunachal Pradesh	20%	12.50%	4%	4%
26.	Mizoram	20%	12.00%		4%
27.	Nagaland	20% + 5% surcharge	12% + 5% surcharge	5% + 5% surcharge	4% + 5% surcharge
28.	Sikkim	15% + Cess ` 3000/kl. + ` 20/kl. for Sikkim Consumer Welfare Fund	7.5% + Cess ` 2500/kl. + ` 20/kl. for Sikkim Consumer Welfare Fund	0%	4%
29.	Manipur	20%	13.50%	0%	4%
30.	Meghalaya	20% + 2% surcharge	12.5% + 2% surcharge (- ` 0.50/litre Rebate)	0%	0%
31.	Tripura	20%	13.50%	0%	1.5%
32.*	Andaman and Nicobar Islands	Nil	Nil	Nil	Nil
33.	Dadra and Nagar Haveli	20%	15.00%	4%	4%
34.*	Daman and Diu	20%	15.00%	4%	4%
35.*	Lakshadweep	Nil	Nil	Nil	Nil

* *w.e.f.* 01.09.11