

The progress of implementation of the Mission depends on the date of the selection of the Smart City. After selection, it takes around 12-18 months to set up Special Purpose Vehicle (SPV), procure Project Management Consultants (PMC), hire human resources, call tenders and issue work orders. The implementation plan is given by the smart Cities in their Smart City Proposals. The projects are to be completed in 5 years from the date of selection of the Smart City.

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### WRITTEN ANSWERS TO UNSTARRED QUESTIONS

#### ATF tax burden on Indian Airlines

1254. SHRI SANJAY SINGH: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that the Aviation Turbine Fuel (ATF) is charged at 14 per cent excise duty by the Central Government and as high as 29 per cent tax rate by the State Governments;
- (b) whether it is also a fact that ATF can be brought under the GST regime to lower the ATF tax burden on the Indian carriers;
- (c) if so, the details of the considerations and the stakeholders thereof; and
- (d) if no consideration has been made, the reasons therefor and the measures Government will undertake to lower the ATF tax burden?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) Central Excise Duty on Aviation Turbine Fuel (ATF) has been reduced from 14 per cent to 11 per cent with effect from 11 October 2018. A few State Governments levy Value Added Tax (VAT) or Sales Tax as high as 29 or 30 per cent at some airports.

(b) to (d) Article 279A(5) of the Constitution provides that Goods and Services Tax (GST) Council shall recommend the date on which GST shall be levied on petroleum crude, high speed diesel, motor spirit, natural gas and ATF. Therefore, the decision to include ATF under GST rests with the GST Council. No decision has been taken in this regard.

Government has constantly responded to aviation stakeholder needs and interests which include airline carriers and general aviation. Various measures have been taken to facilitate and enable growth and sustainability of aviation sector, which include the

reduction of Central Excise Duty applicable on ATF from 14% to 11%, reductions in VAT/Sales Tax on ATF by various State Governments over time, including on RCS-UDAN (Regional Connectivity Scheme-Ude Desh ka Aam Naagrik) flights, and rationalisation of a number of tax-related provisions applicable on various transactions carried out by various stakeholders.

#### **Upgradation/creation of airports**

1255. SHRI P. BHATTACHARYA:

DR. L. HANUMANTHAIAH:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether any proposal has been taken and implementation made towards upgradation/creation of airports and to increase frequent air services of national and private airlines including helicopter service on existing C category airports in various parts of the country;
- (b) if so, the details thereof; and
- (c) if not, the details of steps taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) to (c) Ministry of Civil Aviation has launched Regional Connectivity Scheme (RCS)-UDAN (Ude Desh ka Aam Nagrik) scheme on 21.10.2016 to facilitate/stimulate regional air connectivity and make air travel affordable to the masses, Promoting affordability of regional air connectivity is envisioned under RCS – UDAN by supporting airline operators through (i) concessions by Central Government, State Governments and airport operators to reduce the cost of airline operations on regional routes and (ii) financial support (Viability Gap Funding) to meet the gap, if any, between the cost of airline operations and expected revenues on regional routes. The interested airlines based on their assessment of demand on particular routes submit proposals at the time of bidding under RCS – UDAN from time to time.

Further, Cabinet Committee on Economic Affairs has approved the proposal for revival of existing un-served/under-served airports/airstrips of the State Governments, Airports Authority of India and Civil enclaves at an estimated cost of ₹4500 crore. However, the revival of these unserved/underserved airports is ‘demand driven’, depending upon firm commitment from airline operators who will operate from these airports as well as from the State Government who will provide the various concessions.