

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-3098**  
ANSWERED ON – 23.03.2021

**REVENUE LOSS DUE TO NOT INCREASING TAXES ON TOBACCO PRODUCTS**

**3098 Shri Sanjay Singh:**

Will the Minister of **Finance** be pleased to state:

- (a) the reasons for not increasing taxes on tobacco products, even when Government is suffering huge revenue losses;
- (b) whether Government received any proposals for not imposing additional taxes on tobacco products;
- (c) if so, the details thereof;
- (d) whether Government has considered such proposals positively; and
- (e) if so, the details thereof and, if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

(a): Tobacco products already attract GST at the highest rate of 28%, and in addition attract a compensation cess up to 290%. Besides excise duty and NCCD is also levied on tobacco products. The GST rates on goods are fixed on the basis of the recommendations of the GST Council. At present there is no recommendation by GST Council to make changes in GST rates of tobacco products.

(b) to (e): Certain representations have been received from Trade and other associations to not increase taxes on tobacco products. All such proposals are considered by the GST Council while taking a view on GST Rates, and by the Central Government in review of other Central Taxes.

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