

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-860
ANSWERED ON – 09.02.2021

CESS ON TOBACCO PRODUCTS

860. Shri Tiruchi Siva:

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

- (a) whether Government is planning to increase compensation cess or central excise on cigarettes, bidis and smokeless tobacco;
- (b) if so, the details thereof;
- (c) the total amount of tax collected from cigarettes, bidis and smokeless tobacco from central excise and cess during the last three years;
- (d) whether the tax collected from tobacco is being used to fund the health programmes/schemes; 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) and (b): The GST rates on goods are fixed on the basis of the recommendations of the GST Council. At present there is no such recommendation by GST Council. Also, there is no proposal to increase excise duty on such products.

(c): The tax collected from Central Excise and GST is as under:

(in Rs Crore)

	2017-18	2018-19	2019-20
Excise Collection*	6569	1234	1610
GST Collection including cess	37491	52449	53540

Source: DG Systems, EDW

*From July 2017, the Central Excise Duty collected on tobacco produced has been subsumed in GST

(d) and (e): Taxes collected from tobacco, similar to taxes collected from other sources together form part of the overall Gross Tax Revenues (GTR) of the Government of India and are used to fund all schemes and programmes of the Government. In Budget 2020-21, an amount of ₹67,111.8 cr has been allocated to fund the requirements of the Ministry of Health and Family Welfare. This will be met from both capital and revenue receipts of the Government of India.
