GOVERNMENT OF INDIA
MINISTRY OF COAL

RAJYA SABHA
UNSTARRED QUESTION NO.1451
TO BE ANSWERED ON 02.08.2021

Renaming the Clean Environment Cess

1451. Shri Prasanna Acharya:

Will the Minister of Coal be pleased to state:

(a) whether it is a fact that many coal bearing states including Odisha have requested for renaming the Clean Environment Cess on coal as Environment and Rehabilitation Cess and for earmarking sixty percent of the cess for coal bearing States;
(b) whether the Goods and Service Tax Council and the Central Government have agreed to this proposal; and
(c) If so, the details thereof, if not, the reasons thereof?

ANSWER
MINISTER OF COAL, MINES AND PARLIAMENTARY AFFAIRS
(SHRI PRALHAD JOSHI)

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(a) to (c): Ministry of Coal does not administer any such cess. However, as per information received from Ministry of Finance, Clean Environment Cess has been abolished since 01.07.2017, with the advent of GST. In the GST regime, a GST Compensation Cess at the rate of Rs.400 per tonne has been levied on coal under the Goods and Services Tax (Compensation to States) Act, 2017. This cess has also been imposed on certain other items. The cess is used to compensate any revenue losses occurred to the States, for five years, on account of GST implementation. There is no such reference to change the name of GST compensation cess on coal.

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