

**Government of India
Ministry of Finance
Department of Economic Affairs**

RAJYA SABHA

STARRED QUESTION NO.*167

TO BE ANSWERED ON TUESDAY AUGUST 2, 2022

SRAVANA 11, 1944 (SAKA)

CESS COLLECTED BY GOVERNMENT AND ITS REALISATION

No.*167 Dr.Kanimozhi NVN Somu:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the various types of cess collected by Government and its realisation in the last three years, year-wise;
- (b) whether Government is able to allocate the cess collected to the respective departments for various purposes for which it is meant to be;
- (c) if so, the details thereof, and if not, the reasons therefor; and
- (d) the effective measures taken by Government for the efficient use of cess amount to various purposes for which it was collected from public?

ANSWER

FINANCE MINISTER

(SMT.NIRMALA SITHARAMAN)

(a) to (d): A Statement is placed on the Table of the House.

Statement referred to in reply to Rajya Sabha Starred Question No.*167 for answer on August 2, 2022 raised by Dr.Kanimozhi NVN Somu, Member of Parliament regarding 'Cess collected by Government and its realisation'.

(a): The details of Major Cesses collected/realized during the last three years alongside RE 2021-22 and BE 2022-23 are given below:

The statement showing collection/realization of major cesses						
Sl. No.		(in ₹ crore)				
	Head	2018-19	2019-20	2020-21	2021-22 (RE)	2022-23 (BE)
Cesses in operation						
1	Primary & Education Cess (<i>abolished on excisable goods</i>)	97.40	81.48	61.85	...	...
2	Secondary & Higher Education Cess (<i>abolished on excisable goods</i>)	34.24	27.97	11.42	...	...
3	Health & Education Cess (introduced from Budget for 2018-19 after merging Primary Education Cess, Secondary and Higher Education Cess)	41177.44	39131.09	35821.54	47307.70	53846.16
4	GST Compensation Cess	95028.35	95490.02	85105.64	105000.00	120000.00
5	Additional Excise duties on Motor Spirit (Petrol)*	15307.79	14381.86	26895.29	...	...
6	Additional Excise Duties on High Speed Diesel*	44272.66	40668.72	85289.24	...	...
7	Road & Infrastructure Cess*	51266.72	67373.64	123596.45	203235.00	138450.00
8	National Calamity Contingent Duty (<i>abolished on excisable goods</i>)	1800.16	2380.44	5098.81	5250.00	5500.00
9	Cess on Crude Oil	17814.23	14062.48	10894.44	17500.00	18020.00
10	Cess on Exports	1690.23	5759.14	9214.64	1370.00	1500.00
11	Agriculture Infrastructure and Development Cess				73370.00	77780.00
12	Health Cess				775.00	870.00

* The additional duty of excise/customs on petrol and HSD was converted into 'Road and Infrastructure Cess' from Budget for 2018-19 through amendment of erstwhile Central Road Fund Act, 2000 into Central Road and Infrastructure Fund Act, 2000.

(b) & (c): Government has been transferring the Cess so collected to various dedicated Reserve Funds, kept in Public Account, after due appropriation authorised by Parliament by Law. The details of funds utilised through major dedicated Reserve Funds through different Ministries/Departments are given below:

Utilization of Cess proceeds (transferred to the Reserve Funds)						
						(₹ crore)
Sl. No.	Name of the Fund	2018-19	2019-20	2020-21	2021-22 (RE)	2022-23 (BE)
1	Prarambik Shiksha Kosh	25227.90	26848.35	30168.34	35000.00	38000.00
2	Madhyamik & Uchhatar Shiksha Kosh*		14460.25	20567.12	25000.00	24350.00
3	GST Compensation Fund	54275.00	153910.29	106317.00	110795.47	120000.00
4	Central Road and Infrastructure Fund	62879.64	90252.40	182363.47	247858.28	295150.00
5	National Disaster Response Fund/ National Calamity Contingency Fund	1800.16	2480.00	5820.00	6130.00	6400.00
6	Pradhan Mantri Swasthya Suraksha Nidhi*	--	--	20000.00	21498.72	23750.00

* Reserve Funds in Public Account have not been operationalised yet.

(d): Levy of Cess as part of the tax collection is for meeting specific objectives of the Government. Taking into account the receipts and utilisation of different cesses in the previous years, the additional transfers to reserve funds are also made towards making good the shortfalls, if any, from Union Government's own resources and borrowings.

भारत सरकार
वित्त मंत्रालय
आर्थिक कार्य विभाग

राज्य सभा
तारांकित प्रश्न संख्या *167

(जिसका उत्तर मंगलवार, 02 अगस्त, 2022/11 श्रावण, 1944 (शक) को दिया जाना है)

सरकार द्वारा संगृहीत उपकर और उसकी वसूली

सं.*167 डॉ. कनिमोझी एनवीएन सोमू :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

- (क) गत तीन वर्षों के दौरान सरकार द्वारा संगृहीत विभिन्न प्रकार के उपकरों और उनकी वसूली का वर्ष-वार ब्यौरा क्या है;
- (ख) क्या सरकार संगृहीत उपकर को उन विभिन्न प्रयोजनों के लिए संबद्ध विभागों को आबंटित करने में सक्षम है, जिनके लिए उपकर संगृहीत किया गया था;
- (ग) यदि हां, तो तत्संबंधी ब्यौरा क्या है और यदि नहीं, तो इसके क्या कारण हैं; और
- (घ) सरकार द्वारा उपकर की धनराशि के उन विभिन्न प्रयोजनों के लिए कुशल उपयोग हेतु क्या प्रभावी उपाय किए गए हैं जिनके लिए जनता से उपकर संगृहीत किया गया था?

उत्तर
वित्त मंत्री (श्रीमती निर्मला सीतारमण)

(क) से (घ) : विवरण सभा पटल पर रख दिया गया है।

‘सरकार द्वारा संगृहीत उपकर और इसकी वसूली’ के संबंध में दिनांक 2 अगस्त, 2022 को उत्तरार्थ डॉ. कनिमोझी एनवीएन सोमू, संसद सदस्य द्वारा पूछे गए राज्य सभा तारांकित प्रश्न संख्या *167 के उत्तर में उल्लिखित विवरण।

(क) : सं.अ. 2021-22 और ब.अ. 2022-23 के साथ-साथ पिछले तीन वर्षों के दौरान संगृहीत /प्राप्त प्रमुख उपकरणों का ब्यौरा नीचे दिया गया है:

प्रमुख उपकरणों के संग्रहण/वसूली को दर्शाने वाला विवरण						
क्र. सं.	शीर्ष	2018-19	2019-20	2020-21	2021-22 (सं.अ.)	2022-23 (ब.अ.)
प्रचलन में उपकरण						
1	प्राथमिक शिक्षा उपकरण (उत्पाद शुल्क योग्य वस्तुओं पर समाप्त)	97.40	81.48	61.85	...	...
2	माध्यमिक और उच्च शिक्षा उपकरण (उत्पाद शुल्क योग्य वस्तुओं पर समाप्त)	34.24	27.97	11.42	...	...
3	स्वास्थ्य और शिक्षा उपकरण (प्राथमिक शिक्षा उपकरण, माध्यमिक और उच्च शिक्षा उपकरण के विलय के बाद 2018-19 के बजट से आरंभ किया गया)	41177.44	39131.09	35821.54	47307.70	53846.16
4	जीएसटी मुआवजा उपकरण	95028.35	95490.02	85105.64	105000.00	120000.00
5	मोटर स्प्रिट (पेट्रोल) * पर अतिरिक्त उत्पाद शुल्क	15307.79	14381.86	26895.29	...	...
6	हाई स्पीड डीजल* पर अतिरिक्त उत्पाद शुल्क	44272.66	40668.72	85289.24	...	...
7	सड़क और अवसंरचना उपकरण*	51266.72	67373.64	123596.45	203235.00	138450.00
8	राष्ट्रीय आपदा आकस्मिक शुल्क (उत्पाद शुल्क योग्य वस्तुओं पर समाप्त)	1800.16	2380.44	5098.81	5250.00	5500.00
9	कच्चे तेल पर उपकरण	17814.23	14062.48	10894.44	17500.00	18020.00
10	निर्यातों पर उपकरण	1690.23	5759.14	9214.64	1370.00	1500.00
11	कृषि अवसंरचना और विकास उपकरण				73370.00	77780.00
12	स्वास्थ्य उपकरण				775.00	870.00

* तत्कालीन केन्द्रीय सड़क निधि अधिनियम, 2000 का केन्द्रीय सड़क और अवसंरचना निधि अधिनियम, 2000 में संशोधन के माध्यम से पेट्रोल और एचएसडी पर अतिरिक्त उत्पाद शुल्क/उपकरण वर्ष 2018-19 हेतु बजट से “सड़क और अवसंरचना उपकरण” में परिवर्तित हुआ था।

(ख) और (ग) : सरकार विधि द्वारा संसद से अधिकृत उचित विनियोजन के बाद, इस प्रकार एकत्र किए गए उपकर को सार्वजनिक खाते में रखे गए, विभिन्न समर्पित आरक्षित निधियों में अंतरित कर रही है। विभिन्न मंत्रालयों/विभागों में प्रमुख समर्पित आरक्षित निधियों के माध्यम से उपयोग की गई निधियों का ब्यौरा नीचे दिया गया है:

उपकर से प्राप्त राशि का उपयोग (आरक्षित निधियों में अंतरित)						(₹ करोड़)
क्र.सं.	निधि का नाम	2018-19	2019-20	2020-21	2021-22 (सं.अ)	2022-23 (ब.अ.)
1	प्रारंभिक शिक्षा कोष	25227.90	26848.35	30168.34	35000.00	38000.00
2	माध्यमिक और उच्चतर शिक्षा कोष *		14460.25	20567.12	25000.00	24350.00
3	जीएसटी मुआवजा कोष	54275.00	153910.29	106317.00	110795.47	120000.00
4	केन्द्रीय सड़क एवं अवसंरचना निधि	62879.64	90252.40	182363.47	247858.28	295150.00
5	राष्ट्रीय आपदा प्रतिक्रिया कोष/राष्ट्रीय आपदा आकस्मिकता कोष	1800.16	2480.00	5820.00	6130.00	6400.00
6	प्रधान मंत्री स्वास्थ्य सुरक्षा : निधि *	--	--	20000.00	21498.72	23750.00

* सार्वजनिक खाते में आरक्षित निधियों को अभी तक चालू नहीं किया गया है।

(घ) : कर संग्रह के हिस्से के रूप में उपकर लगाना सरकार के विशिष्ट उद्देश्यों को पूरा करने के लिए है। पिछले वर्षों में विभिन्न उपकरों की प्राप्तियों और उपयोग को ध्यान में रखते हुए, आरक्षित निधियों में अतिरिक्त अंतरण भी कमियां, यदि कोई, को केन्द्र सरकार के अपने स्रोतों और उधारियों से पूरा करने के लिए किया जाता है।

DR. KANIMOZHI N.V.N. SOMU: Sir, the States have been continuously demanding that the Union Government should bring the proceeds of Cesses and Surcharges into the Divisible Pool so that the States will get a greater share of devolution from the Centre's net proceeds in order to meet their own social, human development and infrastructure commitments. Sir, I would like to know from the hon. Finance Minister whether the Union Government shares its income from Cesses and Surcharges with the State Governments to uphold cooperative federalism. What prevents the Union Government in sharing the income generated through Cesses and Surcharges with the State Governments?

SHRIMATI NIRMALA SITHARAMAN: Sir, let me go back, for a minute, at the time of the introduction of GST, the Union Government collected Cesses, nearly 18 of them, they are also subsumed into the GST. So, literally, if 18 Cesses went off into the GST, they are also getting divided according to the GST formulation. But for those taxes, there are Cesses certainly being collected and the Cesses are spent through the States. The Union Government does not have anything with it, having collected the cess. So, what are the cesses that we are talking about? The health and education cess, secondary education cess, meaning primary and secondary cess, health and education cess which is combined, the GST compensation cess and the road and infrastructure cess. I have given the details in the answer. It is already on the Table. So, I won't want to read everyone of the numbers, but what I would like to draw the hon. Member's attention is, for instance, between 2010-11 onwards and up to 2023, for the primary education cess plus the secondary cess plus health and education cess, is Rs. 4,54,659, the collection in crores, then Rs. 4,60,158 crores, much more than what was collected, has been spent on primary education-related matters and how does this go, Sir? The Union Government, either through its Budget or the collective cesses, goes through the Central sector schemes and Centrally-sponsored schemes. They all go to the States. So, the education-related cess has actually had Rs. 5,498 crores in addition to what has been collected and spent on those particularly stated objectives for which the cess is collected. They say, 'collect the cess, what are you doing with it? You share it with the States!' More than what has been collected as cess has been spent and that is spent through the States. The second, Sir, is about GST compensation is a cess which the GST Council has decided and it is collected. Even there, from the Central kitty we have added only because we wanted to make sure that the money reaches the States earlier while the collected cess is a certain amount, utilization is certain other excess added, because utilization was more than what was collected which is Rs. 38,223 crores. More than

what is being collected has been spent as compensation under the GST. The last one, which I would like to place on the Table of the House, is the road and infrastructure cess. The estimated collection was going to be Rs. 11,36,951, that is what is being collected and Rs. 11,31,980 is what is being utilised because the collection has come down as a result of reduction in the excise duty collection on petrol and diesel. So, there is a negative of Rs. 4,970 in the road and infrastructure cess, the differential between collection and utilization, but we are committed to fill that amount as well. So, everything and more than everything that is collected as cess, is spent through the States for the States and if there are gaps, the Centre fills it up.

DR. KANIMOZHI NVN SOMU: Sir, though the proceeds of cesses and surcharges are not shared with the States, their share as percentage of gross tax revenue has more than doubled, from 6.26 per cent in 2010-11 to 16.89 per cent in 2021-22. With the current trend, it will cross 20 per cent by 2024. The levy on account of cesses and surcharges was Rs. 3,72,971 crores during the years 2020-21 and 2021-22. Despite an increase from Rs. 49,528 crores in 2010-11 to Rs. 3,74,471 crores in 2021-22, the benefits do not flow down to the States as these are not included in the divisible pool. If the entire cesses and surcharges are shared with the States, then the States would get an additional kitty of Rs. 1,53,533 crores, that is, 41 per cent of Rs. 3,74,471 crores. The States are constrained to generate new resources. It is imperative to bring in a constitutional amendment to include the cesses and surcharges to the divisible pool. Is the Union Government willing to bring in a constitutional amendment to share the cesses and surcharges with the State Governments? I would like to hear an affirmative statement from the hon. Finance Minister in this regard.

SHRIMATI NIRMALA SITHARAMAN: I think, I have answered the question earlier.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Yes, your answer was in detail and it is answered already.

DR. V. SIVADASAN: Mr. Vice-Chairman, Sir, after introduction of the GST, the Panchayat Raj institutions have faced a big loss of their income by way of collection of tax or Cess from entertainment sectors like cinema theatres, entertainment parks and other institutions. A huge amount of income of the Local-Self Government has been reduced because of the GST. That is why I am asking this supplementary to the hon.

Minister. I would like to know from the hon. Minister whether the Ministry has any plan of giving special assistance to Panchayati Raj institutions. If so, the exact amount of assistance may kindly be specified.

SHRIMATI NIRMALA SITHARAMAN: Sir, I think, after the 14th Finance Commission, the devolution going directly to the Panchayati Raj institutions has, in fact, actually gone. So, there is nothing more that I can add beyond that as a reply to the question asked by the hon. Member.

DR. L. HANUMANTHAIAH: Thank you Vice-Chairman, Sir. Sir, tax and Cess are imposed by the State Governments and the Central Government. For example, the State Government is imposing Road Tax on all vehicles. A huge Road Tax is being collected. Secondly, toll is collected by the Central Government. Thirdly, the State Highways have also started collecting toll. So, my question is: What is the deadline to stop either these Cesses or taxes being collected by the Governments? And, what is the coordination between the State Governments and the Central Government while applying these kinds of Cesses to the customers who are paying double or triple for the same use? Sir, I am talking, especially, about the road taxes.

SHRIMATI NIRMALA SITHARAMAN: Sir, normally, toll and toll-related issues are discussed with Road Transport Ministry, because this specific question is relating to roads. The Ministry of Road Transport and Highways and also the States do talk among themselves about toll, toll collection, mismatch and so on. So, at this stage, this is the reply I can give. But, if there is more, I will ask the Ministry of Road Transport and Highways talk to the hon. Member.

SHRI JAWHAR SIRCAR: Sir, while thanking hon. Minister for the reply given, I have two sharp questions. The first one is in support of what Dr. Kanimozhi has said. It is a long-standing demand that Cesses be stopped, since they are being taken unilaterally by the Centre. In a federal system that has evolved for over 75 years, we need to take a fresh look at it. And, Cesses are often used to make bridge finance. She knows it. I know it. We know it. Now, coming to the question, when you mentioned that more than Cesses collected are actually going to the States — not devolved — as Central Sector Grants, I will give you only one example. We have started with the Education Cess. With so much Education Cess and so much of revenue coming to the Central Government, the total expenditure on education has not touched one per cent of the GDP! It was one per cent last year. It has come

down to less than one per cent now. The cash-starved States, which do not have cash put together have contributed 3.5 per cent of the GDP to education. I am only appealing to you, as somebody who is a 'constituent' from some State or the other, can the responsibility be so lopsided? Sir, 3.5 per cent spent by the States put together.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): Please ask your supplementary question, Mr. Sircar.

SHRI JAWHAR SIRCAR: Will the hon. Minister reconsider how Cess being used, specifically, to target those sectors that are falling short of the long-term demand of the nation? That is all. Thank you.

SHRIMATI NIRMALA SITHARAMAN: The question brings in so many elements which are not strictly in the domain of the Finance Ministry. National demand may be anything. National demand can be anything from one section of the society versus another. I have no disputes with it. But I am here to talk about the quantum of cess that we have collected, the purpose for which it was collected and whether it has been spent or not. I have answered that question even for the hon. Member, Kanimozhi. If there are questions related to, whether it is one per cent or it is two per cent, they are very well asked, but my core question does not pertain to any of these.

THE VICE-CHAIRMAN (SHRI BHUBANESWAR KALITA): The next Question, Question No. 168. First supplementary, Shri Sushil Kumar Modi.