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BETTER LAWS. BETTER GOVERNANCE

CESSES AND SURCHARGES: CONCEPT, PRACTICE AND REFORM

Report to the Fifteenth Finance Commission

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INTRODUCTION

The Union Government is empowered to raise revenues through a range of levies known as tax, fee, cess¹ and surcharges. While taxes *simpliciter* usually attract considerable attention from tax practitioners and academicians, there are relatively very few studies on cesses and surcharges. This is despite the fact cesses and surcharges together are increasingly becoming an important source of revenue for the Union Government.

In the financial year 2016-2017, surcharges and cesses together contributed Rs 216,704.6 crores towards gross tax revenues. In percentage terms, cesses contributed 10.03% of gross tax revenues in 2016-17 while surcharges contributed 2.59%.² The past two financial years also show a rise in the share of cesses and surcharges as per available Budget estimates. The data is as follows³:

Percentage of Gross Tax Revenue Contributed By Cess

Year	Gross Tax Revenue (Estimate)	Cess Collected (Estimate)	Percentage
2017-2018	1946119.15 crores	217710.12 crores	11.186%
2018-2019	2271241.56 crores	269923.54 crores	11.884%

Percentage of Gross Tax Revenue Contributed by Surcharge

Year	Gross Tax Revenue (Estimate)	Surcharge Collected (Estimate)	Percentage
2017-2018	1946119.15 crores	99049.63 crores	5.089%
2018-2019	2271241.56 crores	144605.74 crores	6.366%

The share of both these revenue sources has been increasing over the past few years. In 2012-13, cesses formed 6.88% of the Union Government's gross tax revenues which rose to 9.09% in 2015-16. A similar trend can also be seen in relation to surcharges. In 2010-2011, the share of surcharge stood at 2.83%. While the share dipped to 1.88% in 2012-2013, it rose to 2.56% by 2014-2015 and 2.59% in 2016-2017.⁴ Thus, while the contribution of both cesses and surcharges has been steadily increasing over the past few years, cesses seem to be contributing relatively more to tax revenues as compared to surcharges.

The increasing importance of cesses and surcharges as sources of revenue is primarily attributable to the fact that Union Government has the discretion to retain these sources of revenue and they do not compulsorily form part of the divisible pool to be shared with States. This is due to an exception in Article 270⁵ of the Constitution. Since this exception has

¹ The term cess in this report denotes cess tax as well as cess fees unless stated otherwise.

² See Annexure I Part C and Annexure II Part C.

³ Revised Figures for the year 2017-2018 and Budget Estimates for the year 2018-2019 given in the

² See Annexure I Part C and Annexure II Part C.

³ Revised Figures for the year 2017-2018 and Budget Estimates for the year 2018-2019 given in the budget for the year 2018-2019 available at <<https://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴ See Annexure II Part C below.

⁵ (1) All taxes and duties referred to in the Union list, except the duties and taxes referred to in [articles 268, 269 and article 269A], respectively, surcharge on taxes and duties referred to in article 271 and any cess

significant fiscal implications, it leads to important legal and constitutional questions. What is the distinction between tax, cess and a surcharge? Does the Constitution prescribe any limits on imposition of cesses and surcharges? Can the Union Government levy cesses and surcharges for an indefinite amount of time?

Further, there have been various reports published by Comptroller and Auditor General of India noting the underutilisation of the proceeds from cesses. The reports have also noted some of the monies raised for specific purposes are being diverted to meet other needs. The introduction of Goods and Service Tax ('GST') in 2017 also brought into focus the existence of multiple cesses and surcharges. The Finance Minister had stated that the GST aims to subsume various cesses and surcharges.⁶ While the government abolished a number of cesses post the introduction of GST, a few still continue to be in force. Further, the government has introduced some new cesses after the GST came into force. The most prominent among such cesses is the GST Compensation Cess ('GST Cess') and there are reports that the GST Council is also contemplating the imposition of a sugar cess.⁷ Surcharges also continue to exist. The Finance Act, 2018 introduced a social welfare surcharge⁸ over and above the customs duty on certain goods for the purposes of providing and financing education, health and social security. Equally, the government continues to levy a surcharge under the Income Tax Act, 1961 on income that exceeds specified thresholds.

This report identifies the legal and constitutional issues pertaining to cess taxes and surcharges, throws light on the practice – past and present - with respect to cesses and surcharges and suggests a way forward that is both principled and pragmatic. With regard to cesses we have suggested the following: First, the Finance Commission recommend to the Union Government

levied for specific purposes under any law made by Parliament shall be levied and collected by the Government of India and shall be distributed between the Union and the States in the manner provided in clause (2).

[(1A) The tax collected by the Union under clause (1) of article 246A shall also be distributed between the Union and the States in the manner provided in clause (2).

(1B) The tax levied and collected by the Union under clause (2) of article 246A and article 269A, which has been used for payment of the tax levied by Union under clause (1) of article 246A and the amount apportioned to the Union under clause (1) of article 269A, shall also be distributed between the Union and the States in the manner provided in clause (2).]

(2) Such percentage, as may be prescribed, of the net proceeds of any such tax or duty in any financial year shall not form part of the Consolidated Fund of India but, shall be assigned to the States within which that tax or duty is leviable in that year, and shall be distributed among those States in such manner and from such time as may be prescribed in the manner provided in clause (3).

(3) In this article, "prescribed" means,—

(i) until a Finance Commission has been constituted, prescribed by the President by order, and

(ii) after a Finance Commission has been constituted, prescribed by the President by order after considering the recommendations of the Finance Commission.

⁶ Also see Article 279(4)(a), Constitution of India (which empowers the Goods and Service Tax Council to make recommendations to the Union and the States on taxes, cesses and surcharges which may be subsumed in the goods and service tax). In tandem with the introduction of the GST, 13 cesses were abolished by the Taxation Laws Amendment Act 2017; in addition, the abolition of 9 cesses was announced in the General Budgets of 2015-16, 2016-17 and 2017-18. See <http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456> (last accessed on July 28, 2018).

⁷ "GST Council to decide on sugar cess to raise funds for cane farmers", (May 4, 2018), available at <<https://www.businesstoday.in/current/economy-politics/gst-council-sugar-cess-raise-funds-for-cane-farmers/story/276237.html>> (last accessed on May 10, 2018).

⁸ Finance Act, 2018, Section 110.

that all cesses in force for a long duration and/or where there is evidence of non-utilisation and diversion of funds should be abolished; Second, the Union Government should not impose cesses for purposes which are included in the State List; Third, in future, cesses should be imposed for a narrowly defined purpose and with a clear estimation of the amount of money that the Union Government aims to raise through the cesses; Fourth, the Finance Commission should recommend a periodic review of the revenue collected from cesses which may include assessing if the revenue is being used for the purposes for which it was collected; Fifth, the Finance Commission may recommend inclusion of sunset clauses in the relevant legislations to ensure that cesses do not continue for an indefinite period.

For surcharges, we have suggested that income tax rates should be rationalised instead of using surcharge as a proxy for a progressive tax to impose additional burden on relatively richer taxpayers. We further recommend that in future surcharges are understood as a temporary levy and used sparingly. Finally, the Union Government should be mindful in not using the terms cesses and surcharges interchangeably since they are different concepts.

In view of the above, this report is divided into five parts. The first part explains how the Union Government's tax revenues have been historically distributed and shared with State Governments. The second part explains in detail the concepts of tax, cess, fees and surcharge. We discuss in detail the concept of cess and that a cess can be classified as a cess tax or a cess fee based on its underlying characteristics. The third part identifies and discusses the legal and constitutional issues pertaining to cess taxes. The fourth part examines the legal and constitutional issues relating to surcharges. The final part concludes by making recommendations and suggesting the way forward.

The report is supplemented by two annexures. Annexure I contain a list of cesses levied since 1944, the cesses currently in force and the amount contributed by cesses towards gross tax revenues. Annexure II contains similar details with respect to surcharges. It is acknowledged that neither list may be exhaustive since information on cesses and surcharges that is available publicly is scant.

1. DISTRIBUTION OF TAXES IN INDIA

A perusal of the provisions pertaining to imposition and distribution of tax proceeds reveals that the Indian Constitution sets up a quasi-federal tax governance structure.

The Seventh Schedule of the Constitution enumerates the fields over which the Union Government and the State Government enjoy legislative competence. Under the Seventh Schedule, the Union Government has the power to levy, collect and distribute a number of high yielding direct and indirect taxes. These include income tax (other than agricultural income), customs and export duties, excise duties on petrol, natural gas, tax on aviation turbine fuel, tax on tobacco and tobacco products, corporation tax, inter-state sales tax.⁹ The Union government enjoying power over a relatively greater share of the tax base as compared to State Governments is primarily due to the Provincial Governments preferring to entrust a greater portion of tax administration to the Union Government.

At the time of independence, Provincial Governments preferred to entrust the levy, collection and distribution of taxes to the Union Government rather than handle them at the provincial level due to the infrastructure demands of establishing and running an efficient tax administration.¹⁰ In 1947, the financial provisions in the Draft Constitution were referred to an Expert Committee comprising three members under the chairmanship of Shri N.R. Sarker. The Committee proposed that the whole of income tax, including corporation tax must be shared between the Union Government and the State Governments except to the extent taxes are attributable to centrally administered areas.¹¹

The Constitution of India, 1950 incorporates a specific provision according to which, even though the Union Government is empowered to levy a number of taxes, only some of their proceeds would be shared with the State Governments based on the recommendations of the Finance Commission.¹² As per the erstwhile Article 270, proceeds from income tax were to be compulsorily shared with State Governments. However, over the years, proceeds from Union excise duties on some commodities were also shared with State Governments pursuant to recommendations of successive Finance Commissions.¹³ The growth of such a model of revenue sharing and administrative cooperation has resulted in the establishment of a cooperative federalist structure.¹⁴

Since 1950, State Governments repeatedly demanded that revenues from corporation tax and surcharges be included in the divisible pool. Prior to the constitution of the Third Finance

⁹ See Constitution of India 1950, Union List, Entries 82 to 92B.

¹⁰ G Austin, *The Indian Constitution Cornerstone of a Nation*, 14th (New Delhi, Oxford University Press, 2009) 221.

¹¹ 'Evolution of Financial Relation between Centre and States', Chapter II in First Finance Commission: Report (Finance Commission) (New Delhi, 1952), 22, [28].

¹² Constitution of India, Art 280 read with erstwhile Arts 268-270.

¹³ Finance Commissions-A Historical Perspective', available at <<https://fincomindia.nic.in/ShowContent.aspx?uid1=2&uid2=1&uid3=0&uid4=0>> [4].

¹⁴ *The term was coined by AH Birch to describe a system where there is 'administrative cooperation between general and regional governments, the partial dependence of the regional governments upon payments from the general governments, and the fact that the general governments, by the use of conditional grants, frequently promote developments in matters which are constitutionally assigned to the regions.'*

Commission, corporation tax was classified as a separate head from income tax pursuant to Finance Act 1959. However, it still remained outside the divisible pool.¹⁵ The Sixth Finance Commission remarked that State Governments have constantly demanded for increase in divisible pool of union excise duties as the duties were '*more buoyant*'¹⁶ than income tax.¹⁷ The Commission noted a need to strike a balance between the demand of States for a substantial increase in the divisible pool and the needs of the Centre. It thus recommended that 20% of the net proceeds of basic duties of excise be shared with States. Cesses on excisable commodities were however kept outside the divisible pool¹⁸ The Tenth Finance Commission found that income tax and excise duties which were being shared with the State Governments were '*less buoyant*' when compared with corporation tax and customs duty which were retained exclusively by the Union Government.¹⁹ The Commission therefore recommended an alternate scheme whereby instead of sharing the proceeds from only a select few Union taxes, all Union taxes should be shared with the State Governments.

In 2000, Article 270 was amended to identify specific exceptions in respect of cesses levied for specific purposes under a law passed by the Parliament and surcharges under Article 271.²⁰ This amendment to Article 270 gave Constitutional sanction to the practice of keeping Union cess taxes and surcharges outside the divisible pool, a practice which was previously based only on the recommendations of Finance Commissions.

With the advent of the GST in 2017, for the very first time the Union Government and State Governments have the simultaneous power to impose taxes on intra-State '*supply of goods and services*'. GST revenues are distributed between the Union Government and the State Governments by a constitutional body – the GST Council. The basis for determining the apportionment of revenues is prescribed in the relevant GST legislations. For example, Section 17 of the Integrated Goods and Services Act, 2017 states that out of the integrated tax paid to the Union Government in respect of inter-state supply of goods or services, only the amount of tax calculated at the rate equivalent to the central tax on similar intra-state supply shall be apportioned to the Union Government.²¹

Thus, currently, revenues collected from certain sources such as income tax are necessarily part of the divisible pool while cesses and surcharges can be kept outside the divisible pool. On the other hand, revenues collected through GST are shared between the Union Government and the State Governments through mechanisms prescribed under the relevant GST legislations. The

¹⁵ 'Devolution of Union Taxes/ Duties' Chapter IV in Third Finance Commission: Report (Finance Commission) (New Delhi, 1961) 16 [28].

¹⁶ *Tax buoyancy is defined as an indicator to measure the efficiency as well as the responsiveness of the revenue mobilization in response to the growth in GDP or National Income. See 'The Fourteen Finance Commission (FFC)- Implication for Fiscal Federalism in India?' 131 (Economic Survey 2014-2015) available at < <https://www.indiabudget.gov.in/es2014-15/echapvol1-10.pdf>>*

¹⁷ 'Union Excise Duties', Chapter IV in Sixth Finance Commission: Report (Finance Commission) (New Delhi, 1973) 14, [4].

¹⁸ *Ibid* at 15, [5]

¹⁹ 'Resource Sharing: Devolution and Distribution', Chapter V in Tenth Finance Commission: Report (Finance Commission) (New Delhi, 1995).

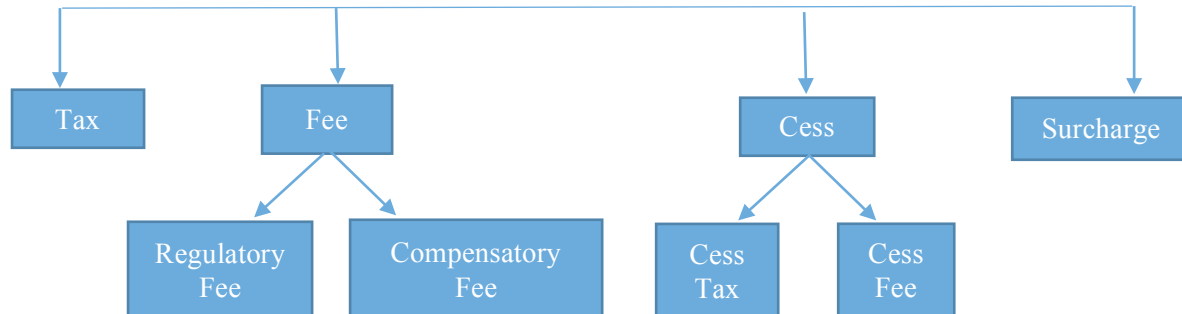
²⁰ The Constitution (Eightieth Amendment) Act, 1999, Statement of Object and Reasons.

²¹ *The Integrated Goods and Service Tax Act, 2017, Section 17 provides for an elaborate mechanism which forms the basis of the apportionment of the integrated goods and service tax revenue and settlement of funds.*

distribution mechanism is mediated by the GST Council. This presents an up-to-date overview of the constitutional position regarding sharing of taxes between the Centre and States.

2. UNDERSTANDING TAX, FEE, CESS AND SURCHARGE

This section examines the various kinds of levies in existence in India. A pictorial representation of the levies and the sub-classifications is as follows:



2.1. Taxes

The Union List (Schedule 7, List I) recognises a distinction between taxes and fees. In the Union List entries 82 to 92A relate to taxes and duties while entry 96 specifies the legislative power for fees in respect of any of the matters in the Union List, except the fees taken in any court. Similarly, in the State List, entries 46 to 63 relate to taxes and entry 66 provides for fees in respect of any of the matters in the State List. Further, in the Concurrent List, entry 97 is a separate entry relating to fees. The entries relating to taxes are specific²² while the one on fees is general.²³ It is in view of the separate entries relating to taxes and fees in the Seventh Schedule that the Supreme Court has held that our Constitution recognises a ‘*different and distinct connotation between taxes and fees*’²⁴.

The concepts of tax and fee were examined by a Constitution Bench of the Supreme Court in considerable detail for the first time in the case of *Commissioner, Hindu Religious Endowments, Madras v. Sri Lakshmindra Tirtha Swamiar of Sri Shirur Mutt*.²⁵ The Supreme Court defined tax by relying on the judgment passed by the High Court of Australia in *Matthews v. Chicory Marketing Board*²⁶ as “a compulsory exaction of money by public authority for public purposes enforceable by law and is not payment for services rendered”. The Supreme Court concluded that the levy of a tax is for the purposes of augmenting general revenue and there is no element of *quid pro quo* between the taxpayer and the public authority. Additionally, it was observed that as taxes are part of the common burden, the quantum of imposition upon the taxpayer depends generally upon his or her capacity to pay.²⁷

²² For example, entry 82 of Union List reads as ‘taxes on income other than agricultural income’ and entry 83 ‘duties of customs including export duties’ as opposed to entry 1 of Union List ‘defence of India and every part thereof including preparation for defence and all such acts as may be conducive in times of war to its prosecution and after its termination to effective demobilisation’.

²³ For example, entry 96 of Union List reads as ‘fees in respect of any of the matters in this List, but not including fees taken in any Court’.

²⁴ Kewal Krishan Puri and another v State of Punjab, AIR 1980 SC 1008, at 1015.

²⁵ Commissioner, Hindu Religious Endowments, Madras v Sri Lakshmindra Tirtha Swamiar of Sri Shirur Mutt, AIR 1954 SC 282.

²⁶ Matthews v Chicory Marketing Board, [60 C.L.R. 263, 276].

²⁷ Hindu Religious Endowments (n. 25), [45].

Further, all the tax monies collected by the Union Government are deposited in the Consolidated Fund of India, subject to the exceptions carved out in Article 270.²⁸ The tax monies can be spent towards any public purpose as deemed fit by the Union Government.

In *Atiabari Tea Co. Ltd v. The State of Assam*²⁹ the Supreme Court identified a separate category of taxes called compensatory taxes. While interpreting the scope of freedom of trade and commerce under Part XIII of the Constitution, the Court held that compensatory taxes were taxes imposed for use of trading facilities and were not a barrier or deterrent for a trader.³⁰ The concept of compensatory taxes blurred the distinction between a tax and a fee as it introduced the concept of compensation by way of services within the wider category of taxes, though it is essentially a feature of a fee. However, the Constitution Bench of the Supreme Court in *Jindal Stainless Ltd. & Anr v State of Haryana*³¹ rejected the doctrine of compensatory taxes as inapplicable to Part XIII of the Constitution.

2.2. Fees

The Supreme Court in *Commissioner, Hindu Religious Endowments, Madras v. Sri Lakshmindra Tirtha Swamiar of Sri Shirur Mutt* explained that the concept of fee is “a charge for a special service rendered to individuals by some governmental agency.”³² In *Sreenivasa General Traders v. State of Andhra Pradesh*,³³ the Supreme Court held that the presence of *quid pro quo* distinguishes a fee from a tax.

The quantum of the fee imposed should ideally be commensurate with the expenses incurred by the Government in rendering the service. Over the years, it has been understood that the element of *quid pro quo* between the levy and the services rendered needs to be reasonable but not of “mathematical exactitude”³⁴.

A series of decisions have further classified fees into compensatory fees and regulatory fees, partly by relying on Article 110(2) and Article 199(2) of the Constitution.³⁵ An example of a regulatory fee is a license fee for which it is not necessary to establish the element of *quid pro quo* (understood as compensation for a service that has been provided).³⁶ Thus, *quid pro quo* is not always a *sine qua non* for a fee.

²⁸ Constitution of India, 1950, Article 266 read with Article 270.

²⁹ *Atiabari Tea Co. Ltd. v The State of Assam and Ors*, AIR 1961 SC 232.

³⁰ *The Automobile Transport (Rajasthan) Ltd. v State of Rajasthan*, AIR 1962 SC 1406.

³¹ *Jindal Stainless Ltd. & Anr. v State of Haryana & Ors.*, (2010) 4 SCC 595.

³² *Hindu Religious Endowments (n. 25)*, [46].

³³ *Sreenivasa General Traders v State of Andhra Pradesh*, AIR 1983 SC 1246

³⁴ *Ibid* at [30].

³⁵ *Article 110(2) provides that a Bill shall not be deemed to be a Money Bill by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licences or fees for services rendered, or by reason; Article 199(2) is similarly worded. As stated, both provisions mention two kinds of fees – fees for licences and fees for services. In Corporation of Calcutta and Anr v Liberty Cinema, the Supreme Court observed that: “Fee for licences and fee for services rendered are contemplated as different kinds of levy. The former is not intended to be a fee for service rendered. This is apparent from a consideration of Article 110(2) and Article 199(2) where both the expressions are used indicating thereby that they are not the same.”*

³⁶ *P. Kannadasan etc. v State of Tamil Nadu & Other*, 1996 (4) Suppl. SCR 92, at 17; *Vam Organic Chemicals Limited and Arv v State of UP & Ors*, 1997(1) SCR 403.

Fees do not account for the ability to pay of the different service recipients.³⁷ Often, the proceeds from fees are not merged into the Consolidated Fund of India. However, if the converse takes place, it has been held that the mere fact that the collections for the services rendered or grant of a privilege or licence are merged with the consolidated fund of the State and not separately appropriated towards the expenditure for rendering the service, is not by itself indicative of the nature of the levy.³⁸ Additionally, a fee and a tax cannot be distinguished on the grounds that the latter is a compulsory payment, while the former is not.³⁹ The element of coerciveness is present in all kinds of impositions though in different degrees. Compulsion lies in the fact that payment for both taxes and fees is enforceable by law against an individual in spite of his unwillingness.⁴⁰ Further, the method prescribed by the legislature for recovering the levy in question also cannot, by itself alter its character.⁴¹ Thus while it is true as a matter of broad principle that a fee involves a *quid pro quo* and a tax does not, each levy has to be seen on a case-by-case basis to determine its true nature.

2.3. Cesses

Cesses can be divided into two sub-categories: cess taxes and cess fees. As the name suggests, cess taxes bear the characteristics of a tax while a cess fee shares the attributes of a fee.

Cess taxes have an earmarked purpose but do not give the contributor an entitlement to a *quid pro quo* benefit. The funds from a cess tax are to be credited into the Consolidated Fund of India but are to be earmarked within it. Once credited to the Consolidated Fund of India, proceeds of a cess tax can be withdrawn only when the Parliament passes suitable appropriation legislation.⁴²

On the other hand, cess fees have an earmarked purpose and entitle the payer to a direct reciprocal benefit. The funds from cess fees are to be credited to a special fund instituted for the said purpose and not to the Consolidated Fund of India.⁴³ A list of the various cess taxes as well as cess fees levied in India since 1944 are listed in Annexure-I Part A.

2.3.1. Cesses and the Indian Constitution

Taxation is defined under the Indian Constitution in a broad and inclusive manner, covering any impost 'whether general or local or special'.⁴⁴ This definition has been held to include cesses.⁴⁵

The Seventh Schedule to the Constitution has no separate legislative entry for a cess. This is different from the position under the Government of India Act, 1935 where State List, entry 49 was 'cesses on the entry of goods into a local area for consumption, use or sale'. The corresponding entry in the Constitution is entry 52, State List which uses the word tax instead

³⁷ Hindu Religious Endowments (n. 25), [46].

³⁸ *Sreenivasa General* (n. 33), [31].

³⁹ *Upaj Mandi Samiti v Ors Orient Paper and Industries Ltd.*, 1995 1 RRR 327, [23].

⁴⁰ *Ibid.*

⁴¹ *Hingir-Rampur Coal Co. Ltd. and Ors. v The State of Orissa and Ors.*, (1961) 2 SCR 537.

⁴² Constitution of India, 1950, Article 266 and 283.

⁴³ *Commissioner of C. EX., Cus. & S.T., Belgaum v Shree Renuka Sugars Ltd.* 2014 (302) ELT 33 (Kar.), [25].

⁴⁴ Constitution of India, 1950, Article 366(28).

⁴⁵ *N. Balaraju v The Hyderabad Municipal Corporation*, AIR 1960 AP 234, [34].

of cess.⁴⁶ The Supreme Court has held that the Government of India Act, 1935 used the word cess to describe and connote an octroi tax. The term octroi was omitted as the category of terminal taxes was already included in entry 89, Union List and these were also octroi taxes in a sense.⁴⁷ It is of interest to note that pursuant to Section 17(b), The Constitution (One Hundred and First Amendment) Act 2016 (GST Amendment), entry 52 of the State List (Taxes on the entry of goods into a local area for consumption, use or sale therein) has now been omitted.

It is instructive to note that the term cess finds mention in the Constitution only in two Articles. The first reference is in Article 277⁴⁸, which is essentially a savings clause. Article 277 throws light on the fact that cesses existed even before the enactment of the Constitution. However, the term cess is not explained therein and is not relevant for our purpose.

The second reference is in Article 270(1)⁴⁹. Article 270(1) identifies the taxes that form a part of the divisible pool, meaning the taxes, proceeds of which are to be distributed between the Union and the State Governments. However, Article 270 further states that any cess levied for 'specific purposes' under any law passed by the Parliament is an exception i.e. the proceeds from cesses are not part of the divisible pool. Article 270 in its current form was included in the Constitution through an amendment, thereby for the first time expressly recognising that cesses are excluded from the divisible pool.⁵⁰ 'Specific purposes' have been recognised as a core aspect of cess and the relevant judicial precedents that examine this aspect are discussed in the sub-section below.

2.3.2. Judicial Precedents on Cess taxes

In *The Hingir-Rampur Coal Co. Ltd v The State of Orissa*⁵¹ it was held that a cess maybe a tax or a fee, depending on the concerned facts of the case. Justice Hidayatullah explained the meaning of a cess in two Supreme Court judgments⁵², each dated 26th September 1966, in the following manner:

⁴⁶ *Constitution of India, 1950, 7th Schedule, State List, Entry 52 states that "Taxes on the entry of goods into a local area for consumption, use or sale therein."*

⁴⁷ *Burmah Shell Oil Storage v The Belgaum Borough Municipality*, AIR 1963 SC 906, [21]; *Jindal Stainless Ltd. & Anr. v State of Haryana & Ors.* (2010) 4 SCC 595, [107], [215] – [225].

⁴⁸ *'Any taxes, duties, cesses or fees which, immediately before the commencement of this Constitution, were being lawfully levied by the Government of any State or by any municipality or other local authority or body for the purposes of the State, municipality, district or other local area may, notwithstanding that those taxes, duties, cesses or fees are mentioned in the Union List, continue to be levied and to be applied to the same purposes until provision to the contrary is made by Parliament by law.'*

⁴⁹ *'All taxes and duties referred to in the Union List, except the duties and taxes referred to in Articles 268, 269 and 269A respectively, surcharge on taxes and duties referred to in Article 271 and any cess levied for specific purposes under any law made by Parliament shall be levied and collected by the Government of India and shall be distributed between the Union and the States in the manner provided in clause (2).'*

⁵⁰ *Prior to the amendment, Article 270(1) stated that: "Taxes on income other than agricultural income shall be levied and collected by the Government of India and distributed between the Union and the States in the manner provided in clause (2).'*

⁵¹ *The Hingir-Rampur* (n. 41), [9].

⁵² *Shinde Bros v Dy Commissioner Raichur & Ors.*, AIR 1967 SC 1512, [39]; *Guruswamy & Co v State of Mysore*, [1967] 1 SCR 548, [57].

“It (cess) means a tax and is generally used when the levy is for some special administrative expense which the name (health cess, education cess, road cess etc.) indicates.”

Both cases in which Justice Hidayatullah explained the meaning of a cess involved a challenge to the constitutional validity of a State legislation, the Mysore Health Cess Act 1962. It is to be noted that even though Justice Hidayatullah’s exposition was part of dissenting opinions, he has been quoted as an authority on this point.⁵³

In *Vijayalakshmi Rice Mills v Commercial Tax Officers*⁵⁴ the Supreme Court explained a cess to be a special kind of tax, as proceeds have to be used for a specific purpose. By way of illustration, the Court explained that a health cess must be used for building hospitals, giving medicines to the poor and other purposes related to health.

A cess must be levied under the authority of law, meaning a constitutionally valid legislation and not merely an executive order and must have a specific purpose.⁵⁵ As explained in *V. Nagappa v. Iron Ore Mines Cess Commissioner*⁵⁶ the legislation imposing a cess must spell out its earmarked purpose. The purpose must not be vague or uncertain, as it could lead to a claim of excessive delegation of power.

The amount collected under a cess varies across statutes and could be either fixed or *ad valorem*.⁵⁷ It is typically imposed as an addition to an existing tax.⁵⁸ A list of various cesses currently in force are listed in Annexure-I Part B.

2.4. Surcharges

2.4.1. Surcharges and the Indian Constitution

A surcharge is discussed under Article 270 and 271⁵⁹ of the Constitution. A surcharge is stated to be “an increase” in any of the duties and taxes referred to in Articles 269⁶⁰ and 270⁶¹. In

⁵³India Cement Ltd. v State of Tamil Nadu, AIR 1990 SC 85, [19] – [20].

⁵⁴ Vijayalakshmi Rice Mills v Commercial Tax Officers, (2006) 6 SCC 763, [13].

⁵⁵ Gwalior Sugar Co. Ltd. v State of Madhya Bharat, AIR 1954 MB 196, [10].

⁵⁶ V. Nagappa v Iron Ores Mines Cess Commissioner, AIR 1973 SC 1374.

⁵⁷ *Jute cess under the Jute Manufactures Cess Act 1983 is an example of an ad valorem levy whereas the cine workers welfare cess under the Cine-Workers Welfare Cess Act 1981 is a fixed levy.*

⁵⁸ Ahmedabad Manufacturing & Calico Printing Co Ltd. v State of Gujarat, AIR 1967 SC 1916, [12].

⁵⁹ “Notwithstanding anything in Articles 269 and 270, Parliament may at any time increase any of the duties or taxes referred in those articles except the goods and services tax under article 246A by a surcharge for purposes of the Union and the whole proceeds of any such surcharge shall form part the Consolidated Fund of India.”

⁶⁰ “(1) Taxes on the sale or purchase of goods and taxes on the consignment of goods [except as provided in article 269A] shall be levied and collected by the Government of India but shall be assigned and shall be deemed to have been assigned to the States on or after the 1st day of April, 1996 in the manner provided in clause (2).

Explanation. – For the purposes of this clause,–

(a) the expression “taxes on the sale or purchase of goods” shall mean taxes on sale or purchase of goods other than newspapers, where such sale or purchase takes place in the course of inter-State trade or commerce;

simple words, a surcharge is a tax on tax. From a reading of the relevant provisions of the Constitution, there seem to be four major features of a surcharge:

First, Parliament can impose a surcharge for '*the purposes of the Union*'. The exact import of this phrase is not clear, but it is logical that the Union can impose a surcharge only on its tax base.

Second, pursuant to Constitution (One Hundred and First Amendment) Act, 2016, a surcharge cannot ordinarily be imposed over and above the GST.⁶²

Third, unlike a cess, in the case of a surcharge, there is no need to stipulate the purpose at the time of levy and it is the discretion of the Union to utilise the proceeds of the surcharges for whichever purpose it deems fit.

Fourth, owing to an exception under Article 270, the proceeds from surcharges need not be shared with State Governments. Even prior to the carve-out in Article 270, the concept of surcharge and the language for '*purposes of the Union*' in Article 271 was interpreted to mean that surcharge proceeds are separate from income tax proceeds for the purposes of distribution.⁶³

Even before the Constitution came into force, surcharges were imposed. A surcharge was recommended for the first time in the report of the Joint Committee on Indian Constitutional

(b) the expression "taxes on the consignment of goods" shall mean taxes on the consignment of goods (whether the consignment is to the person making it or to any other person), where such consignment takes place in the course of inter-State trade or commerce.

(2) The net proceeds in any financial year of any such tax, except in so far as those proceeds represent proceeds attributable to union territories, shall not form part of the Consolidated Fund of India, but shall be assigned to the States within which that tax is leviable in that year, and shall be distributed among those States in accordance with such principles of distribution as may be formulated by Parliament by law.

(3) Parliament may by law formulate principles for determining when a sale or purchase of, or consignment of, goods takes place in the course of inter-State trade or commerce."

⁶¹ "(1) All taxes and duties referred to in the Union list, except the duties and taxes referred to in 1 [articles 268, 269 and article 269A], respectively, surcharge on taxes and duties referred to in article 271 and any cess levied for specific purposes under any law made by Parliament shall be levied and collected by the Government of India and shall be distributed between the Union and the States in the manner provided in clause (2).

[(1A) The tax collected by the Union under clause (1) of article 246A shall also be distributed between the Union and the States in the manner provided in clause (2).

(1B) The tax levied and collected by the Union under clause (2) of article 246A and article 269A, which has been used for payment of the tax levied by Union under clause (1) of article 246A and the amount apportioned to the Union under clause (1) of article 269A, shall also be distributed between the Union and the States in the manner provided in clause (2).]

(2) Such percentage, as may be prescribed, of the net proceeds of any such tax or duty in any financial year shall not form part of the Consolidated Fund of India, but shall be assigned to the States within which that tax or duty is leviable in that year, and shall be distributed among those States in such manner and from such time as may be prescribed in the manner provided in clause (3).

(3) In this article, "prescribed" means—

(i) until a Finance Commission has been constituted, prescribed by the President by order, and

(ii) after a Finance Commission has been constituted, prescribed by the President by order after considering the recommendations of the Finance Commission."

⁶² Constitution of India, 1950, Article 279A (4)(f)..

⁶³ CIT, Kerala v K. Srinivasan, AIR 1972 SC 491, [10].

Reform that took into account proposals made in the White Paper on the Proposals for Indian Constitutional Reforms issued by His Majesty's Government in December 1931.⁶⁴ The White Paper on Proposals for Indian Constitutional Reforms proposed that the Provincial Legislature shall be empowered to impose surcharges on income tax and retains proceeds for its own purpose.⁶⁵ The report saw a difference of opinion wherein a few members opined that it will lead to differential rate of tax and might nullify the emergency power of Provinces to impose surcharge, whereas on the other hand, few others were of the view that it would give elasticity to provincial revenue.⁶⁶ The report explained surcharge as a special addition to income tax.⁶⁷

Under the Government of India Act, 1935, the federal legislature was empowered to increase an existing tax by a surcharge for any federal purpose.⁶⁸ The proceeds from such surcharge were to constitute a part of the revenues of federation. Surcharge was levied for the first time by the Finance Act, 1941.⁶⁹ However, between 1946 and 1950, surcharge was abolished. The Constitution of India incorporated the same concept of surcharge as included in the Government of India Act, 1935 and it was reintroduced by way of Finance Act, 1951⁷⁰. In his budget speech of 1951-52 Shri C.D. Deshmukh proposed to levy surcharge on income tax, custom duty as well as excise duty because of the rising level of prices and the threat of inflation which was aggravated by severe calamities like earthquake, floods and droughts in certain parts of the country. In addition to the above, there was an outbreak of hostilities in Korea that led to steep rise in external prices of the commodities like cotton, raw wool, jute etc.⁷¹

In 1957, Shri T.T. Krishnamachari, Union Finance Minister while delivering the budget speech came up with a new concept of levying surcharge at different rates for earned, as well as unearned income. He stated that it is necessary to recognise that the basic rate must be applicable to a person who earns income by sweat and toil and people who earn income from property or other investment must pay more by a surcharge.⁷² The former was classified as earned income and the latter as unearned income. However, this concept was abolished via Finance Act 1964. Over the years, surcharge has been imposed as an additional tax on various tax bases such as income tax, customs duty, excise duty and corporation tax.⁷³ A list of the various surcharges levied in India since 1941 and list of surcharges currently in force are listed in Annexure-II Part A and Annexure-II Part B respectively.

The similarities between a cess and a surcharge are that both levies are exceptions under Article 270. The revenues collected from both these sources are at the exclusive disposal of the Union Government. However, a cess is levied for a pre-determined earmarked purpose while a

⁶⁴ 'Joint Committee on Indian Constitutional Reform Report' (session 1933-34), (Government of India Press, Delhi), Volume I, Part I, 335[141]; *see also* CIT, Kerala v K. Srinivasan, AIR 1972 SC 491.

⁶⁵ 'Introduction', White Paper on the Proposals for Indian Constitutional Reforms, (Government of India) (New Delhi, 1931), [57].

⁶⁶ Joint Committee on Indian Constitutional Reform Report (n. 64)166 [257].

⁶⁷ *Ibid.*

⁶⁸ Government of India Act, 1935, Section 137.

⁶⁹ Indian Finance Act, 1940, Section 7.

⁷⁰ Finance Act, 1951, Section 2; *see also* CIT, Kerala v K. Srinivasan, AIR 1972 SC 491, [5].

⁷¹ Speech of Shri C.D. Deshmukh Minister of Finance Introducing the Budget for the Year 1951-1952, available at <<https://www.indiabudget.gov.in/bspeech/bs195152.pdf>> (last accessed on June 14, 2018).

⁷² Speech of Shri T.T. Krishnamachari Minister of Finance Introducing The Budget For The Year 1957-58, available at <<https://www.indiabudget.gov.in/bspeech/bs195758.pdf>> (last accessed on June 14, 2018).

⁷³ See Annexure II Part A below.

surcharge can be appropriated for any public purpose. This distinction between a cess and a surcharge drawn by the Constitution, means that the two terms are not interchangeable.⁷⁴

⁷⁴ Ashrita Prasad Kotha, *The Distinction between Cess and Surcharge is Significant for a Taxpayer*, Economic and Political Weekly, Vol. 53, Issue No. 8, (February 24, 2018).

3. A STUDY OF CESS TAXES

3.1. Treatment by Previous Finance Commissions

As explained earlier in the report, the exception in Article 270 with respect to cess came in only through The Constitution (Eightieth) Amendment Act, 2000. Prior to this, successive Finance Commissions kept cess proceeds out of the pool of resources to be shared with State Governments. The earliest was the Fourth Finance Commission which noted, in its report dated 12th August 1965 that it would be undesirable to share the cess proceeds with the State governments as the legislations under which the cesses are levied have already earmarked the purpose for which the proceeds were to be used.⁷⁵ This marks one of the first instances where cesses were kept out of the divisible pool even though Article 270 at the time did not specifically create such an exception in favour of cesses. The Fifth⁷⁶, Sixth⁷⁷ and Seventh⁷⁸ Finance Commission reports reiterated that cesses earmarked for special purposes are not be shared with State Governments.

The Eighth Finance Commission disallowed sharing of the cess proceeds with State Governments on grounds that it would result in diverting funds for unintended purposes.⁷⁹ The Tenth Finance Commission also disallowed inclusion of revenue from cesses in the divisible pool on the ground that cesses are levied for a specific purpose and their utilisation is governed by the relevant legislations under which they are levied.⁸⁰ The recommendations also appear to be based on the understanding that only the Union Government is equipped to apply the proceeds of cesses.⁸¹

The Eightieth amendment to the Constitution altered the pattern of sharing of Union taxes by substituting a new Article 270 that provided for sharing of all taxes and duties referred to in the Union List except taxes mentioned in Articles 268 and 269, surcharges levied under Article 271 and cesses levied for any specific purposes.⁸² The Thirteenth Finance Commission thus rejected the demand of the States to include cesses and surcharges in the divisible pool since now there was an explicit constitutional mandate prohibiting such inclusion. However, it recommended that the Centre shall review the surcharges and cesses in order to reduce its share in the gross tax revenue.⁸³ The Fourteenth Finance Commission also recommended that cesses and

⁷⁵ 'Union Excise Duties', Chapter VI in Fourth Finance Commission: Report (Finance Commission) (New Delhi, 1965) 24, [48].

⁷⁶ 'Union Excise Duties', Chapter IV in Fifth Finance Commission: Report (Finance Commission) (New Delhi, 1969) 37, [4.13].

⁷⁷ Union Excise Duties, Chapter IV in Sixth Finance Commission: Report (n. 17) 15, [5].

⁷⁸ 'Centre- State Financial Relations of our scheme of transfers to the States', Chapter IX in Seventh Finance Commission: Report (Finance Commission) (New Delhi, 1978) 85, [31].

⁷⁹ 'Union Duties of Excise', Chapter VI in Eighth Finance Commission: Report (Finance Commission) (New Delhi, 1983) 47, [6.5] – [6.6].

⁸⁰ 'Resource Sharing: Devolution and Distribution', Chapter V in Tenth Finance Commission: Report (Finance Commission) (New Delhi, 1995), 22, [5.27].

⁸¹ Ashrita Kotha, *Cesses in the Indian Tax Regime: A Historical Analysis in Studies in the History of Tax Law*, 8 (Hart Publishing, 2017) 483-511.

⁸² The Constitution (Eightieth Amendment) Act, 2000, Section 3.

⁸³ 'Sharing of Union Tax Revenues', Chapter VIII in Thirteenth Finance Commission: Report (Finance Commission) (New Delhi, 2010) 118 [8.20]

surcharges be kept outside the divisible pool.⁸⁴ The Commission stated that for revenues from cesses and surcharges to be a part of the divisible pool, a Constitutional amendment was necessary. But the Commission ruled out an amendment 'given the record of experience so far.'⁸⁵

3.2. Legal and Constitutional Issues

The frequent and seemingly indefinite imposition of cess taxes has been met with criticism from various quarters. The Sarkaria Commission suggested that cesses must be confined to limited periods and for specific purposes.⁸⁶ Several cess statutes were repealed eventually for being economically inefficient.⁸⁷ Also, reports by the Comptroller and Auditor General of India have pointed out the discrepancies in utilisation of the proceeds of various cess taxes.⁸⁸ Previous Finance Commission reports have recorded the grievances of State Governments over the increasing share of cess taxes as this deprives them of a share in their revenues. In response, previous Finance Commissions have advised governments to keep the imposition of cess taxes to a minimum.⁸⁹

Some of the legal issues that arise with respect to cesses can be summarised as follows:

First, the earmarked purposes of cesses have, over the years, become vague and general. The phase immediately after Independence saw imposition of cess taxes which were motivated towards development of a particular industry. Some cess taxes imposed during this phase were salt cess under the Salt Cess Act, 1953 and tea cess under the Tea Act, 1953. Thereafter, the purpose of cess taxes moved towards labour welfare. For example, iron ore mines labour welfare cess under Iron Ore Mines Labour Welfare Cess Act, 1961, limestone and dolomite mines labour welfare cess under Limestone and Dolomite Mines Labour Welfare Fund Act, 1972 and cine workers welfare cess under Cine Workers Welfare Cess Act, 1981. The recent tendency has been to impose cess taxes on general / broad-based causes.⁹⁰

⁸⁴ 'Sharing of Union Tax Revenues', Chapter VIII in Fourteenth Finance Commission: Report (Finance Commission) (New Delhi, 2015) 89 [8.10].

⁸⁵ *Ibid.*

⁸⁶ 'Financial Relations', Chapter X in Sarkaria Commission on Centre-State Relations: Report (January 1988), [10.9.21].

⁸⁷ 'Obsolete Laws: Warranting Immediate Repeal', Law Commission of India: Report No.250, (October 2014), 33-34 and 42. In the 2016 Budget Speech, Finance Minister Mr. Arun Jaitley announced the repeal of 13 cesses which collected less than 50 crore annually to tackle "*multiplicity of taxes, associated cascading and to reduce cost of collection*". See Arun Jaitley, 'Budget 2016 - 2017' (Speech at Lok Sabha, Parliament of India 2016) < indiabudget.nic.in/ub2016-17/bs/bs.pdf > 31, [174].

⁸⁸ 'Comments on Accounts', Chapter II in Report No. 1 of 2015 Financial Audit on Union Government Accounts for the year 2013-14 of the Union Government, [2.2.2], [2.2.4] and [2.2.6], available at <www.cag.gov.in/content/report-no-1-2015-financial-audit-union-government-accounts-year-2013-14-union-government>; 'Comments on Accounts', Chapter II in Report No. 1 of 2015 Financial Audit on Union Government Accounts for the year 2013-14 of the Union Government, [2.2.2], [2.2.5] and [2.2.9], available at <www.cag.gov.in/content/report-no-1-2013-financial-audit-civil-accounts-union-government>.

⁸⁹ Union Duties of Excise, Chapter VI in Eighth Finance Commission: Report, (n. 79) 47, [6.5], [6.6]; 'Sharing of Union Tax Revenues', Chapter VIII in Thirteenth Finance Commission: Report, (n. 83) [8.6], [8.7].

⁹⁰ Ashrita Kotha, Cesses in the Indian Tax Regime: A Historical Analysis in Studies in the History of Tax Law (n. 81).

The recent phase includes purposes such as financing of national highways, basic education, clean energy, environment, infrastructure projects, etc. which encompass the responsibilities already entrusted to the government in its discharge of general administration and are broad heads of expenditure rather than specific purposes.⁹¹ Partly, due to the language used, the earmarked purpose is open-ended. For example, Swachh Bharat cess and Krishi Kalyan cess were imposed to “*finance and promote Swachh Bharat initiatives or related purpose*” and “*to finance and promote initiatives to improve agriculture or related purpose*” respectively while infrastructure cess was imposed to “*finance infrastructure projects*”.⁹² Since cesses are to be imposed for only specific purposes, the use of such broad and general language as the reason for their imposition is problematic. The word specific refers to what is precise, exact, definite and explicit⁹³ and the aforementioned cesses in using vague language to describe their purpose fall outside the remit of the required standard of specificity.

Apart from the generalisation of the purpose, some cess legislations are seen to leave the appropriation and utilisation for the ‘*specific purposes*’ to the discretion of the Union Government. For example, Section 4 of the Research and Development Cess Act, 1986 provides that once the concerned cess is collected and deposited in the Consolidated Fund of India, “*the Central Government may, if Parliament by appropriation made by law in this behalf so provides, pay to the [Board], from time to time, from out of such proceeds (after deducting the cost of collection), such sums of money as it may think fit for being utilised for the purposes of the [Board].*” Even after an appropriation legislation is passed by the Parliament, the release of funds to the concerned agency (Board, in the instant case) is subject to the approval / initiation of the Union Government. Moreover, the Union Government also seems to decide on the quantum of the funds to be disbursed. Some other legislations also have similar language.⁹⁴

Such colourable exercise of power is problematic as it reduces the significance of the phrase ‘*specific purposes*’ and the rationale for the exclusion under Article 270.⁹⁵

Second, the charging provisions in some statutes use the terms surcharge and cess interchangeably. For example, Section 81, Finance Act, 2004 which imposed a primary education cess states that: “*there shall be levied ... as surcharge for the purposes of the Union, a cess to be called the education cess, to fulfil the commitment of the Government to provide and finance universalised quality basic education.*” This is not a one-off instance but can also be seen in Section 136 of the Finance Act, 2007 that imposed secondary and higher education cess. More recently, Section 184(2) of Finance Act, 2016 pertaining to Income Disclosure Scheme imposed ‘*a surcharge to be called the Krishi Kalyan Cess*’ to fulfil the commitment of the Government for the welfare of the farmers.

⁹¹ *Ibid.*

⁹² Section 119, Finance Act 2015 and Sections 161 and 162 Finance Act 2016, respectively.

⁹³ *Maru Ram v. Union of India*, (1981) 1 SCC 107, 133.

⁹⁴ *See* Central Road Fund Act, 2000, Section 4; *see also* Rubber Act, 1947, Section 12(7); *see also* Beedi Workers Welfare Fund Act, 1974, Section 3(a).

⁹⁵ Ashrita Prasad Kotha and Pradnya Talekar, *Cess Taxes in India: A Rights based analysis of Earmarking – working paper presented at ATTA Conference 2018.*

Such language is both confusing and anomalous considering the conceptual difference between a cess and a surcharge, as highlighted above. It adds to the problems of ensuring transparency and accountability of the proceeds. In a recent Supreme Court decision,⁹⁶ a two Judge bench remarked that education cess and higher education cess is a surcharge. While this observation was unnecessary in a case that involved adjudication on a refund claim of the cess monies paid, it does reflect that the judges have also, at times, not fully appreciated the distinction between a cess and a surcharge.⁹⁷

Third, there have been many discrepancies pertaining to the administration and utilisation of the proceeds from cess taxes.⁹⁸ In the instance of the research and development cess, the Comptroller and Auditor General of India has made a specific comment that the '*the proceeds are being partly utilized to finance the revenue deficit of the Government over the years*'.⁹⁹

The accurate accounting of the cess proceeds is important as the practice of keeping cess taxes outside the reach of State Governments is partly to ensure effective utilisation of funds for specific purposes. The difficulty in maintaining transparency and accountability may be owing to open-ended earmarked purposes in cess tax legislations. Also, the administration of cess taxes is not entrusted to only one ministry / department. Depending on the kind of cess, there is a separate administrative structure set up for collection, administration and utilisation of the proceeds. For example, under the Tea Act, 1953 which imposed a tea cess, the administrative machinery was through the Tea Board under the Ministry of Commerce and Industry. The Tea Board was to be funded through the tea cess proceeds.

Moreover, the process of earmarking involves fixing a tax rate *ex ante* which is typically also not subject to mandatory periodic review. Equally, there does not seem to be a mechanism to ensure an effective matching of collections with actual monies needed for the identified purpose. This perhaps results in surplus funds. When the proceeds remain unused for the earmarked purpose / are diverted for other purposes, it is questionable whether the levy is a cess tax at all, or is simply a tax *simpliciter*. Needless to say, if that were the case, its proceeds would have to be shared with the States.¹⁰⁰

Fourth, the Union Government has imposed cess taxes for purposes such as hygiene, agriculture, state and rural roads, all of which are matters within the State List.¹⁰¹ A cess tax has two aspects – the tax base and the earmarked purpose. The first connotes the tax upon which the cess would be imposed such as income tax, customs duty or the like. The second connotes

⁹⁶ M/S SRD Nutrients Private Limited v Commissioner of Central Excise, Guwahati AIR 2017 SC 5299.

⁹⁷ Ashrita Prasad Kotha, The Distinction between Cess and Surcharge is Significant for a Taxpayer, (n. 74).

⁹⁸ For example, see Report of the Comptroller and Auditor General of [sic] for the year 2013 – 14, [2.2.2], [2.2.4] and [2.2.6]; 'Comments on Accounts', Chapter II in Report of the Comptroller and Auditor General for the year 2011 – 12, (Indian Audit and Accounts Department), (New Delhi, August 13, 2013) [2.2.2], [2.2.5] and [2.2.9], available at <www.cag.gov.in/sites/default/files/audit_report_files/Union_Financial_Civil_Finance_1_2013.pdf>.

⁹⁹ Comments on Accounts', Chapter II in Report No. 1 of 2015 Financial Audit on Union Government Accounts for the year 2013-14 of the Union Government, [2.2.2] available at <www.cag.gov.in/content/report-no-1-2015-financial-audit-union-government-accounts-year-2013-14-union-government>.

¹⁰⁰ Ashrita Prasad Kotha and Pradnya Talekar, *Cess Taxes in India: A Rights based analysis of Earmarking – working paper presented at ATTA Conference 2018*.

¹⁰¹ Constitution of India, 1950, State List, Entries 6, 13 and 14.

the aim for which the funds are being collected. Ordinarily such aims should be ones that the Union is constitutionally responsible for fulfilling. Thus it is advisable that the purpose must not be one that is included in the State List whose responsibility for fulfilment is on State Governments.¹⁰²

Fifth, there are specific issues with respect to the GST Cess. The GST Cess is being levied in order to compensate State Governments for any losses during the first five years of implementation of the GST.¹⁰³ The purpose is contrary to the dominant practice described above wherein proceeds from cesses are *not* shared with the State Governments. Further, it is questionable if the purpose is sufficiently specific. In interpreting Section 11 of the Income Tax Act, 1961¹⁰⁴ ITAT Delhi¹⁰⁵ held that the term 'specific' has to be read in the context and text in which it has been used and that the term specific is commonly understood as something which is contrary to what is general and vague. The tribunal held that the purpose for which a charitable trust is accumulating income has to be definite and a precise one. The trust's purposes were to start schools, libraries, hostels, Health Centres, hospitals and Dharamshalas which the tribunal held to be concrete, having definiteness and hence specific. Additionally, it has been held that for a cess to be considered as having a specific purpose, certain specific lines of activity requiring investment and manner in which that amount can be spent on the project ought to be listed out.¹⁰⁶

Thus, the purpose of 'compensating State Governments' sounds more like a general revenue raising measure as once the money is transferred to the State Governments, it can be used for any purpose.¹⁰⁷ In the absence of a specific purpose, the term cess appears to be a misnomer. In fact, GST Cess appears to be a tax on tax.

Adding weight to this argument is the fact that if the GST Cess were indeed a cess, its proceeds need not be compulsorily shared with State Governments. However, in practice, it is being shared. On the other hand, if it is a tax, though sharing of revenues would be necessary, it would take place on independent recommendations from the Finance Commission.¹⁰⁸ However, as per the current design the distribution does not involve the Finance Commission but is based on a statutory formula.¹⁰⁹ While this formula compensates State Governments for any losses arising during the first five years, State Governments get a pay out in proportion to their revenue collections at the end of this five-year period. The hybrid approach adopted, that is, of

¹⁰² Ashrita Prasad Kotha and Pradnya Talekar, *Cess Taxes in India: A Rights based analysis of Earmarking – working paper presented at ATTA Conference 2018*.

¹⁰³ Preamble to *The Goods and Service Tax (Compensation to States) Act, 2017* states: 'An Act to provide for compensation to the States for the loss of revenue arising on account of implementation of the goods and service tax in pursuance of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016.'

¹⁰⁴ This provision inter alia provides tax exemption to income held for religious or charitable purposes.

¹⁰⁵ *Sir Sobha Singh Public Charitable Trust v. Assistant Director of Income Tax*, [2001] 79 ITD (Delhi).

¹⁰⁶ *Cotton Textiles Export Promotion Council vs. First Income Tax Officer*, [1983] 4 ITD 642(Mum).

¹⁰⁷ Ashrita Prasad Kotha and Pradnya Talekar, 'Questions about GST Cess', *The Hindu*, (September 19, 2017) available at < <http://www.thehindu.com/opinion/op-ed/questions-about-the-gst-cess/article19710552.ece>>; Ashrita Prasad Kotha and Pradnya Talekar, *Cess Taxes in India: A Rights based analysis of Earmarking – working paper presented at ATTA Conference 2018*.

¹⁰⁸ GST Council is responsible for the distribution of the proceeds of the GST Cess in accordance with the formula prescribed in the *GST (Compensation to States) Act, 2016*.

¹⁰⁹ *GST (Compensation to States) Act, 2016*, Section 10.

compensating at one stage and rewarding at the other, is suspect.¹¹⁰ More importantly for our purposes, the GST Compensation Cess appears to be using the terminology of being a ‘cess’ strategically though it is clearly not one— were it a tax, its sharing would depend on the Finance Commission; were it actually a cess, it would ordinarily not be shared with State Governments at all. It thus takes advantage of the lack of clarity in a clear constitutional understanding of which levy actually constitutes a cess.

3.3. International practices on Cess taxes

The proximate international equivalents of cesses are earmarked taxes (also referred to as hypothecated taxes or ring-fenced taxes). Tax earmarking or hypothecation is defined as the assigning of receipts either from a single tax base or as a proportion from a wider pool of revenue for a specific end use and is different from the general fund financing the expenditure from the consolidated receipts.¹¹¹

The World Bank has recommended that earmarked taxes work best when the immediate beneficiary contributes towards the tax.¹¹² As governments always have the option of imposing taxes *simpliciter* on the beneficiaries, the adoption of an earmarking policy needs to be supported by demonstrating that earmarking helps to enhance collection of revenue or the quality of the promised benefit. Earmarking has been found to be undesirable when ‘*redistribution or social welfare*’ is the primary goal. Moreover, earmarked taxes are most productive when imposed by the local governments rather than a federal government.¹¹³

The World Health Organization and Results for Development have stated that earmarking practices are effective for countries that seek to mobilise resources by prioritising a particular policy without working through the general budgeting process.¹¹⁴ They observed that the earmarking practice works particularly in cases where the link between the budgeting and policy making is weak and there are external measures interfering with the effective priority setting.¹¹⁵ It is not the scope of this report to delve deep into this debate. This section only attempts to provide an overview of the kinds of earmarked taxes that some countries impose and the manner of their levy.

United States:

In the United States of America, earmarked taxes are levied primarily by State Governments rather than the Federal Government. For example, in the year 2015, the State of Alabama

¹¹⁰ Ashrita Prasad Kotha and Pradnya Talekar, ‘Cess Taxes in India: A Rights based Analysis of Earmarking – working paper presented at ATTA Conference 2018.

¹¹¹ Margaret Wilkinson, ‘Paying for Public Spending: Is there a Role for Earmarked Taxes?’, *Fiscal Studies*, The Journal of Applied Public Economics, Vol. 15. No. 4, (1994), 119-35.

¹¹² William McCleary, ‘The Earmarking of Government Revenue: A Review of Some World Bank Experience,’ *The World Bank Research Observer*, Vol. 6, No. 1, (January 1991), 81-104, [100-101].

¹¹³ *Ibid.*

¹¹⁴ Cashin C., Sparkes S., Bloom D., ‘Earmarking for health: from theory to practice,’ (Geneva: World Health Organization), (2017) available at <<http://apps.who.int/iris/bitstream/handle/10665/255004/9789241512206-eng.pdf;jsessionid=E4B545587380D4233FB812B7A67F7890?sequence=1>>

¹¹⁵ *Ibid.*

earmarked 93% of tax revenue¹¹⁶ for different purposes. The high percentage of earmarking in the State of Alabama left limited tax revenues for general purposes which led to a fiscal crisis in 2015.¹¹⁷

However, there are some States that have implemented earmarked taxes successfully. The success and popularity of such taxes is attributed to the active involvement of the beneficiaries of the taxes in advocating for the earmarked levy and protecting the collected proceeds.¹¹⁸

The Courts have also upheld the spirit of earmarking by coming down heavily on any diversion or misuse of earmarked proceeds. For instance, in the case of *Wisconsin Medical Society v. Morgan*¹¹⁹, the Supreme Court of Wisconsin declared that the fund earmarked for a certain purpose must be used only for that purpose and cannot be transferred by the state for any other purpose. In the above case, legislation was enacted authorising transfer of \$200 million from State's medical malpractice fund to State's medical assistance trust fund, which was declared unconstitutional.

Similarly, in the case of *Tuttle v. New Hampshire Medical Malpractice Joint Underwriting Association*¹²⁰, the Supreme Court of New Hampshire ruled that the surplus funds accumulated in a medical malpractice fund by way of premium paid by policyholders are owned by policyholders themselves and hence the State of New Hampshire does not have any right to divert those funds for any other purposes.

Australia:

The Australian Constitution has a specific provision that requires that all revenues earned must be paid into a single consolidated revenue fund.¹²¹ Thus, there is no Constitutional mandate for earmarking in Australia. However there are few isolated instances of earmarked taxes being levied for different purposes.

In 1984, Medicare Levy was introduced at the rate of 1% (which gradually increased to 2%) on personal income tax to partially fund the cost of Medicare.¹²² Taxpayers are exempted from paying medical levy if their taxable income is equal to or less than \$21,655 (\$34,244 for seniors

¹¹⁶ Joint Task Force on Budget Reform, Interim Report on Budget Reform 8 (2017) (State of Alabama) available at <<http://lsa.alabama.gov/PDF/LFO/JTF.May.2017.Report.pdf>>

¹¹⁷ Patrick Crowley, 'Alabama's deficit is the University's problem too,' (February 17, 2015) available at <<http://www.cw.ua.edu/article/2015/02/alabamas-deficit-is-the-universitys-problem-too>> (last accessed on 21st June 2018)

¹¹⁸ Susannah Camic Tahk, 'Making Impossible Tax Reform Possible,' 81 Fordham L. Rev. 2683 (2013) at 2684-2687, 2719-2725. Some examples are Colorado's tobacco tax set aside for public health, Utah's earmarking of income taxes for education, Missouri's sales and use tax for conservation, Oklahoma's earmarked income tax for teacher's pensions

¹¹⁹ Wisconsin Med. Soc'y v Morgan, (2010 WI 94), (328 Wis. 2d 469), (787 N.W.2d 22 (2010)).

¹²⁰ Tuttle v New Hampshire Med. Malpractice Joint Underwriting Ass'n, (992 A.2d 624 (N.H. 2010)).

¹²¹ Commonwealth of Australian Constitution Act, Section 81 – "Consolidated Revenue Fund: All revenues or moneys raised or received by the Executive Government of the Commonwealth shall form one Consolidated Revenue Fund, to be appropriated for the purposes of the Commonwealth in the manner and subject to the charges and liabilities imposed by this Constitution."

¹²² 'Medicare Levy' available at <<https://www.ato.gov.au/Individuals/Medicare-levy/>> (last accessed on June 12, 2018)

and pensioners entitled to the seniors and pensioners tax offset).¹²³ The proceeds contribute to only a fraction of the required funds for the cost of Medicare.¹²⁴

Another example of earmarked fund in Australia was the introduction of a gun buyback levy to fund the gun buyback scheme¹²⁵ with the main purpose of reducing availability of specific kinds of firearms.¹²⁶ A few other examples of earmarked taxes imposed in Australia are Ansett ticket levy (imposed on domestic and international airline passengers between 2001 and 2003 to fund workers' wages after the collapse of Ansett airlines)¹²⁷ and a sugar levy (which was collected during 2003 - 2006 on domestic sugar sales for funding the sugar industry).¹²⁸

The Commonwealth government proposed the imposition of a temporary 'Timor levy' on the taxable income of individuals to prevent the cost of Australian military intervention in East Timor from putting the budget into deficit.¹²⁹ However, it could not be implemented as it met with public opposition¹³⁰ and it was demonstrated that the deficit can be avoided even without such a levy.¹³¹

The governance structure in Australia means that health and education initiatives are to be jointly financed by the federal and state governments.¹³² Since some programmes are funded federally while some by the states, neither level of government can be held accountable for the totality of spending in those areas thereby reducing the effectiveness of earmarked taxes.¹³³

¹²³ 'Medicare Levy reduction for low income earners' available at <<https://www.ato.gov.au/Individuals/Medicare-levy/Medicare-levy-reduction-for-low-income-earners/>> (last accessed on June 12, 2018)

¹²⁴ Robert Carling, 'Tax Earmarking Is it a Good Practice?' available at <<http://www.cis.org.au/app/uploads/2015/07/pm75.pdf>> (last accessed on June 16, 2018).

¹²⁵ 'The Gun Buy-Back Scheme' (Audit Report) available at <https://www.anao.gov.au/sites/g/files/net616/f/anao_report_1997-98_25.pdf> (last accessed on June 12, 2018)

¹²⁶ Ruben Diaz Jr, 'Why a Gun Buyback Wouldn't Pay Off,' available at <<https://themilreview.com/social/2017/10/9/why-a-gun-buyback-wouldnt-pay-off/>> (last accessed on June 12, 2018)

¹²⁷ Matt Wade, 'Cheaper Skies after Ansett Tax Repealed', (June 11, 2003) available at <<https://www.smh.com.au/articles/2003/06/10/1055220601096.html>> (last accessed on June 10, 2018).

¹²⁸ A Report on the impacts of the Sugar Industry Reform Program (SIRP): 2004 to 2008, (Commonwealth of Australia, 2010) available at <<http://www.agriculture.gov.au/SiteCollectionDocuments/ag-food/crops/sugar/sirp-2004/sugar-industry-reform-report-2010.pdf>> (last accessed on June 12, 2018).

¹²⁹ 'Defence- East Timor Levy' available at <<http://ministers.treasury.gov.au/DisplayDocs.aspx?doc=pressreleases/1999/078.htm&pageID=003&min=phc&Year=1999&DocType=0>>

¹³⁰ Robert Carling, Tax Earmarking Is it a Good Practice? (n. 124).

¹³¹ Budget Speech 2000-2001 by the Honourable Peter Costello, MP Treasurer of the Commonwealth of Australia, available at <<https://www.budget.gov.au/2000-01/speech/html/speech.htm>> (last accessed on June 12, 2018)

¹³² Robert Carling, Tax Earmarking Is it a Good Practice? (n. 124).

¹³³ Richard Bird and Michael Smart, Assigning State Taxes in a Federal Country: The Case of Australia, available at <http://www.taxreview.treasury.gov.au/content/html/conference/downloads/conference_report/05_A_FTS_Tax_and_Transfer_Policy_Conference_Chap_5.pdf>

The Australian model reveals that hypothecated taxes contribute only a small portion to the tax revenues. Barring the Medicare levy, hypothecated taxes have been used sparingly and have been in force for short durations, unlike the Indian context.

United Kingdom (UK):

Earmarked taxes in the UK tax system have always featured in a limited way and governments have opposed their adoption mainly on the ground that the priority of spending shall not be determined in accordance with the way the money is raised.¹³⁴

A historical example of an earmarked tax in UK is ship money¹³⁵ raised by Charles I in 1634-38 on seaports and coastal regions to finance the Royal Navy. There were many complaints filed by sheriffs against such a levy. Gerald E Aymler has however argued that ship money is an equitable as well as an efficient tax as it is collected based upon people's wealth and property holdings.¹³⁶ Another example is a vehicle excise duty levied under the Customs and Inland Revenue Act, 1888 for the building and upkeep of roads. The fund created for the duties were diverted for other purposes. The duty was eventually repealed by Finance Act 1936.¹³⁷

In United Kingdom, National Insurance Contributions (NICs) are also described as a hypothecated tax.¹³⁸ NICs involve the tax paid by employees, employers and self-employed persons that is used to fund the government's social security system such as contributory benefits and the State pension.¹³⁹ The rates for contribution differ for every national insurance class that is classified depending upon the employment status as well as earnings.¹⁴⁰ Majority of the funds collected go into a National Insurance Fund, proceeds of which cannot be used for any other purpose by statute¹⁴¹. However, there is weak correlation between an individual's contribution and the benefits derived therefrom.¹⁴²

A few other earmarked levies have been introduced by the UK government with a view to discourage usage of the concerned goods or services. For instance, Ken Livingstone, the first

¹³⁴ Antony Seely, 'House of Commons Library, *Hypothecated Taxation*,' Standard Note SN01480, available at <researchbriefings.files.parliament.uk/documents/SN01480/SN01480.pdf> (last accessed on May 10, 2018).

¹³⁵ Samuel Brittan, 'In Defence of earmarked taxes,' Financial Times (December 7, 2000) available at <http://w01-0095.web.dircon.net/text65_p.html> (last accessed on June 15, 2018).

¹³⁶ 'Ship Money' (September 1997) available at <<http://spartacus-educational.com/STUshiptax.htm>> (last accessed on June 27, 2018).

¹³⁷ Antony Seely, House of Commons Library, *Hypothecated Taxation*, (n. 134).

¹³⁸ 'Hypothecation of taxes- a cure to austerity?' available at <<https://www.icaew.com/en/technical/tax/towards-a-better-tax-system/hypothecation-of-taxes>> (last accessed on June 10, 2018).

¹³⁹ 'National Insurance Contributions (NICs): An Introduction,' Briefing Paper, Number 4517, 4-9 (July 17, 2017), available at <researchbriefings.files.parliament.uk/documents/SN04517/SN04517.pdf> (last accessed on June 10, 2018).

¹⁴⁰ Class 1 comprises of primary contribution by employees and secondary contribution by employer. Class 2 comprises of self-employed persons. This class will be abolished from 6th April 2018. Class 3 comprises of voluntary contributions paid to fill gaps in National insurance record. See 'National Insurance Classes' available at <<https://www.gov.uk/national-insurance/national-insurance-classes>> (last accessed on June 21, 2018).

¹⁴¹ *Social Security Administration Act 1992, Part XII, Section 161 sets up the National Insurance Fund. Section 163 enumerates the specified benefits which can be funded from the collected monies.*

¹⁴² National Insurance Contributions (NICs): An Introduction, (n. 139).

mayor of London, introduced a congestion charge¹⁴³ on all persons who drive or park a vehicle between 7 am to 6 pm on a weekday in specific zones in the city of London.¹⁴⁴ The contributions were used to improve public transport service which led to a reduction in traffic.¹⁴⁵ There is ambiguity if the congestion charge is a fee or a tax.

Thus, earmarking is unlikely to be successful unless there is transparency in the utilisation of revenues. This can be ensured by judiciary as sometimes the case in United States or by the legislative branch itself. In India, the Comptroller and Auditor General of India, through its reports, has reiterated the need to ensure transparency in utilisation of revenues raised through cesses. Unfortunately, this has not had any discernible impact.

¹⁴³ The Greater London (Central Zone) Congestion Charging Order 2004, available at <<http://content.tfl.gov.uk/consolidated-congestion-charging-scheme-order.pdf>>

¹⁴⁴ 'London Congestion Charge: Why it's time to reconsider one of the city's great successes' (March 3, 2018) available at <<https://theconversation.com/london-congestion-charge-why-its-time-to-reconsider-one-of-the-citys-great-successes-92478>> (last accessed on June 21, 2018)

¹⁴⁵ *Ibid.*

4. A STUDY OF SURCHARGES

4.1 Treatment by Previous Finance Commissions

The Expert Commission on Financial Provisions appointed by the President of the Constituent Assembly envisaged that the Centre's need for imposing surcharges would arise on rare occasions and the levy would not continue for '*unduly long periods*'.¹⁴⁶ The practice since has not aligned with this expectation and surcharges have been an almost permanent feature of India's direct tax regime.

The Fourth Finance Commission report noted that some of the State Governments viewed surcharges as a temporary measure meant to serve a particular situation. In normal times, the State Governments expected that no surcharges will be levied. Moreover, surcharges should, the Fourth Finance Commission recommended be merged with the basic rates after a lapse of three years as a matter of course.¹⁴⁷

However, this view was not shared by later Commissions. The Fifth Finance Commission stated that the text of Article 271 did not warrant a reading that surcharges were to operate for a temporary period.¹⁴⁸ The Sixth Finance Commission noted the increase in the share of surcharges as being one of the reasons for allowing a greater share of net income tax proceeds to State Governments.¹⁴⁹ The Seventh Finance Commission stated that it was generally assumed that surcharges were levied only upon the occurrence of an unexpected event. However, there was no express provision in the Constitution supporting such reading.

The Eighth Finance Commission report stated that the proceeds from surcharges were not to be merged with the divisible pool.¹⁵⁰ However, the Commission expressed concern over the indefinite continuance of surcharges. It recommended the withdrawal of surcharge imposed on income tax from the financial year 1985-1986 and an adjustment of the basic rate of income tax.¹⁵¹ The Tenth Finance Commission also emphasised the fact that the surcharge on income tax shall not be levied except to meet emergent requirements for a limited period.¹⁵²

With the introduction of new Article 270 in 2000, surcharges have been expressly separated from being a part of divisible pool. The Thirteenth Finance Commission had recommended reviewing the imposition of surcharges and cesses in order to reduce its share in gross tax

¹⁴⁶ Constituent Assembly of Indian Debates, Volume VII, APPENDIX B No. CA/103/Cons/47 available at <<http://164.100.47.132/LssNew/cadebatefiles/C04111948.html>> (last accessed at May 13, 2018).

¹⁴⁷ 'Income Tax', Chapter V in Fourth Finance Commission: Report (Finance Commission) (New Delhi, 1965) 17, [34].

¹⁴⁸ 'Income Tax', Chapter III in Fifth Finance Commission: Report (Finance Commission) (New Delhi, 1969), 25, [3.21].

¹⁴⁹ 'Income Tax', Chapter III in Sixth Finance Commission: Report (Finance Commission) (New Delhi, 1973), 12, [6].

¹⁵⁰ 'Income Tax', Chapter V in Eighth Finance Commission: Report (Finance Commission) (New Delhi, 1984) 41, [5.6].

¹⁵¹ 'Income Tax', Chapter V in Eighth Finance Commission: Report (Finance Commission) (New Delhi, 1984) 41, [5.10].

¹⁵² 'Resource Sharing: Devolution and Distribution', Chapter V in Tenth Finance Commission: Report (n. 80), 21, [5.13].

revenue.¹⁵³ The Fourteenth Finance Commission also recommended keeping cesses and surcharges outside the divisible pool.¹⁵⁴

4.2. Legal and Constitutional Issues

Surcharges have been frequently levied as an additional tax on taxpayers that are included in the highest income tax rate slabs. However, they also serve the purpose of allowing the Union to keep a certain percentage of the tax proceeds outside the divisible pool. There are no express restrictions regarding the duration and extent of imposition of surcharges. But, some of the legal and constitutional issues that can be identified based on the practices surrounding surcharges are as follows:

First, some charging provisions imposing surcharges identify a purpose. For example, the 2005 Budget quotes the success of education cess to introduce a surcharge of 10% on *ad valorem* duties on tobacco products including *gutka*, chewing tobacco, snuff and pan masala but not *bidis*, for allocating resources to the National Rural Health Mission.¹⁵⁵ However, the inclusion of a purpose is not necessary for surcharges. While it may be argued that specifying a purpose infuses some transparency into the usage of proceeds collected from a surcharge; it needs to be underlined that the government is not under any obligation to spend money for the identified purpose. The promise is not enforceable. Related to this issue is the fact that sometimes surcharges bear the name of a cess which are levies for specific purposes. For example, the Finance Act, 2016 introduced two surcharges called Pradhan Mantri Garib Kalyan Cess¹⁵⁶ and Krishi Kalyan Cess.¹⁵⁷

Secondly, surcharges have been levied for most years since the adoption of the Constitution, except for 1998-99. Hence, in practice, surcharges have not been used as a temporary measure. By way of the language adopted in Article 271 there is no mandate that surcharges should be in force for limited duration. However, bearing in mind the spirit of the Indian federal structure, surcharges should be understood as an exception as the Union Government anyway has the power to raise revenues through tax *simpliciter*. Surcharges should not be used by the Union Government as a means to keep resources to itself, at the cost of depriving State Governments of their share in the revenues. In principle, surcharges should be used as a last resort measure.

4.3. International Practices on Surcharges

This section of the report attempts to provide an overview of various surcharges that some countries impose and the way they are levied. Many countries levy temporary surcharges for a specific purpose.

Germany:

¹⁵³ 'Sharing of Union Tax Revenues', Chapter VIII in Thirteenth Finance Commission: Report (n. 83), 118 [8.20]

¹⁵⁴ 'Sharing of Union Tax Revenues', Chapter VIII in Fourteenth Finance Commission: Report (n. 84), 89 [8.10]

¹⁵⁵ Budget 2005-2006, Speech of P Chidambaram, Ministry of Finance (February 28, 2005) [136] available at <<https://www.indiabudget.gov.in/ub2005-06/bs/speecha.htm>>

¹⁵⁶ Finance Act, 2016, Section 199D.

¹⁵⁷ Finance Act, 2016, Section 184.

Germany levies solidarity surcharge at 5.5% of the income tax, capital gains tax and corporation tax for financing the German reunification.¹⁵⁸ It was initially introduced in 1991 for financing the cost of German reunification to support reconstruction efforts in the economically disadvantaged Soviet East German states¹⁵⁹ as well as additional cost incurred for the then Gulf war.¹⁶⁰ It was to be levied only for one year and was suspended after that. However, it was reintroduced in 1995 and has continued to be levied ever since.

Taxpayers have demanded an end to the solidarity surcharge as it was originally intended to be a temporary tax but has become a permanent tax in Germany.¹⁶¹ The new German government has proposed that the solidarity surcharge will partially end this year.¹⁶²

France:

The French Government in 2017 introduced “exceptional surcharges” which were to be levied on corporate income tax for one year (i.e. 31st December 2017 to 30 December 2018) to offset losses in revenue. The revenue loss was a result of the decision of the French Constitutional Court¹⁶³ which declared 3% tax on dividend distribution to be unconstitutional. “Exceptional surcharges” included two surcharges, one that was levied at 15% of the amount of corporation tax if the company’s turnover exceeded 1 billion euros and the other an additional contribution of 15% of the amount of corporation tax (i.e. 30%) if the turnover exceeded 3 billion euros.¹⁶⁴

Another surcharge that is levied in France is a social security contribution (commonly known as CSG) applicable on various kinds of income such as employment income, rental income, interest, dividends, capital gains.¹⁶⁵ The revenue generated forms part of general system of taxation and does not provide for any direct benefit in return.¹⁶⁶ It is levied on individuals who are domiciled in France.

Australia:

¹⁵⁸ ‘Solidarity Surcharge’, available at <http://www.steuerliches-info-center.de/EN/SteuerrechtFuerInvestoren/Person_Inland/Solidaritaetszuschlag/solidaritaetszuschlag_no_de.html> (last accessed on June 18, 2018).

¹⁵⁹ Jabeen Bhatti, ‘German Phase-Out of Reunification Tax Unconstitutional: Attorneys’ (August 5, 2018) available at <<http://de.gg-v.com/wp-content/uploads/German-phase-out-of-reunification-tax-unconstitutional.pdf>> (last accessed on June 18, 2018).

¹⁶⁰ Markus Krinninger, ‘Solidarity Surcharge (Solidaritaetszuschlag)’, (German Tax Advisors) available at <<https://wwkn.de/en/about-german-taxes/solidarity-surcharge-solidaritaetszuschlag/>> (last accessed on June 19, 2018).

¹⁶¹ ‘Taxpayers demand end to ‘Soli’ tax to boost eastern German economy’ available at <<http://www.dw.com/en/taxpayers-demand-end-to-soli-tax-to-boost-eastern-german-economy/a-41315805>> (last accessed on June 19, 2018).

¹⁶² *Ibid.*

¹⁶³ Financial participation company [Contribution of 3% on the amounts distributed], Decision n ° 2017-660 QPC of (October 6, 2017).

¹⁶⁴ ‘Extracts from the minutes of the Council of Ministers’ of (November 2, 2017) available at <http://www.assemblee-nationale.fr/dyn/15/dossiers/collectif_budgetaire_2017> (last accessed on June 20, 2018).

¹⁶⁵ ‘France, Individual Taxes on Personal Income’ available at <<http://taxsummaries.pwc.com/ID/France-Individual-Taxes-on-personal-income>> (last accessed on June 20, 2018).

¹⁶⁶ Overview of the French Tax System, (Public Finances Directorate General) available at <https://www.impots.gouv.fr/portail/files/media/1_metier/5_international/french_tax_system.pdf>

A Medicare levy surcharge is imposed on people who chose not to take up private hospital insurance and whose income is more than the threshold limit in order to encourage individuals to use private hospitals and thus reduce the demand on public Medicare system.¹⁶⁷ It is payable in addition to the Medicare levy. The base income under which a person is not liable to pay Medicare levy surcharge is \$90,000 for singles and \$180,000 for families.¹⁶⁸

The Australian Council of Social Service (commonly known as ACOSS)¹⁶⁹ has stated that Medicare levy with a separate surcharge is burdensome as it imposes high effective tax rate and it can easily be avoided by the rich who can take private health insurance.¹⁷⁰ It further added that a surcharge imposed to reduce overall public spending on health care is not justified as there has been no evidence that private insurance has reduced overall public spending on health care.¹⁷¹

United Kingdom:

The UK government via the Finance Act 2015 introduced a new bank corporation tax surcharge at 8%, to be levied on the profits of banking companies and building societies.¹⁷² The main objective behind such a levy is that banks must make a fair contribution to all potential risks that they pose to UK financial system as well as the wider economy.¹⁷³ The surcharge was imposed in view of the UK government's aim of progressing towards a sustainable model of raising revenue from the banking sector.¹⁷⁴

Surcharges in India were originally intended to be a temporary revenue raising measure, but have become an almost permanent feature of our tax system. This is comparable to the solidarity surcharge in Germany which was originally intended to be levied only for a limited time period but has continued for close to three decades. While the justification for surcharges varies across countries but, once imposed, countries tend to retain them on the books for a long duration.

¹⁶⁷ 'Medicare Levy Surcharge,' available at <<https://www.ato.gov.au/individuals/medicare-levy/medicare-levy-surcharge/>> (last accessed on June 20, 2018)

¹⁶⁸ *Ibid.*

¹⁶⁹ *ACOSS is the peak body of the community services sector and a national voice for the needs of people affected by poverty and inequality.*

¹⁷⁰ 'Strengthening the Medicare Levy to secure the future of the NDIS and other essential universal services' available at <https://www.acoss.org.au/wp-content/uploads/2017/09/ACOSS_medicare-levy-FINAL.pdf> 15 (last accessed on June 20, 2018).

¹⁷¹ *Ibid.*

¹⁷² Finance Act 2015, Section 269DA available at <<http://www.legislation.gov.uk/ukpga/2015/33/schedule/3/enacted>>

¹⁷³ 'Policy Paper Bank Corporation Tax Surcharge,' (July 8, 2015) available at <<https://www.gov.uk/government/publications/bank-corporation-tax-surcharge/bank-corporation-tax-surcharge>> (last accessed on June 20, 2018).

¹⁷⁴ Summer Budget 2015, (HMT Treasury) 47 [1.203] available at <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/443300/50325_HMT_Red_Book_Complete.pdf> (last accessed on June 21, 2018).

5. RECOMMENDATIONS AND WAY FORWARD

Cesses and surcharges have become an almost permanent feature of India's tax regime. One of the primary reasons for their continuance and, in fact, increasing popularity is that revenues collected through both these avenues are not part of the divisible pool. However, as discussed above, there are several legal and constitutional issues that arise from a continuous reliance on cess taxes and surcharges as sources of revenue. The purposes for which cesses are levied have become wide and open-ended in recent times. Further there is insufficient transparency in the utilisation of revenues raised through cesses. Finally, the Union Government frequently levies cesses for purposes which are included in the State List which are *per se* not its functions for which it requires earmarked funds. Similarly, surcharges have been in vogue for several decades though they were originally intended to be only temporary levies.

Going forward, some of the ways in which the legal and constitutional issues surrounding cess taxes and surcharges can be addressed are as follows:

Cesses:

1. Imposition

- The Union Government should not levy cesses for purposes that are contained in the State List. The health and education cess is a prominent example of one such cess.
- According to Budget Estimates for 2018-19, cess collection is estimated to be 11.884% of gross tax revenue. This is the highest recorded percentage of cess collected as a percentage of gross tax revenue from 2002, from which time reliable data is available. This number may be treated as a benchmarked ceiling and no new cess should be imposed that takes the percentage beyond this ceiling.
- In case of exceptional circumstances such as natural calamities, the Disaster Management Act, 2005 envisages permanent National and State level Disaster Response Fund and Disaster Mitigation Fund. Efforts must be made by Central and State Government to ensure adequate revenue in such funds. If despite such funds, additional revenue is required, a specific purpose cess in extraordinary circumstances subject to relevant conditions in Points 2 and 3 below may be legislated subject to a maximum percentage increase of 1% over the benchmarked ceiling. If necessary, other cesses may be abolished to adhere to this ceiling.
- For any cess to be constitutionally valid, the purpose for its imposition must be clearly and specifically stated in the statute imposing the cess. The level of specificity that is necessary should ordinarily be met by stating a scheme which is to be funded through such cess.

2. Transparency and Rationalisation

- In light of evidence of diversion of funds from cesses, there must be greater transparency in cess imposition and collection. Budget documents and charging legislation should clearly spell out the amount that the Union Government aims to collect via the cess and how taxes simpliciter are unable to meet the required funding

needs. The specific schemes for which the funds are to be used must also be clearly stated. International experience also bears out use of cesses for limited time periods and well-defined purposes.

- Cesses must be periodically reviewed. A review will assess the amount actually collected vis-à-vis the amount utilised and compare each of these with the amount aimed to be collected. This is a transparent mechanism to ensure efficient utilisation of monies collected through cesses. At the outset, a 3-year review cycle for all cesses is suggested.
- Where proof of non-utilization / diversion exists, the cess must be treated as a tax *simpliciter*. Consequently, State Governments should be given a share in the proceeds based on recommendations of the Finance Commission.

3. Abolition

- Cesses garnering collections below Rs 50 crore in a financial year are economically inefficient, add to the multiplicity of taxes and fuel cascading effects, as explained by Mr. Arun Jaitley in the 2016 budget speech. Further, the promise of GST was also to subsume cesses relating to supply of goods and services. Hence, going forward, any economically inefficient cesses should be abolished.
- Cesses shall be levied for a maximum term of 5 years which may be extended if concerned ministry/department administering the levy is able to justify continuance and demonstrate satisfactory utilisation over the years. However, upon one extension, it is recommended that the levy be abolished without any further extensions.
- The Union Government should consider including an overriding review clause as well as sunset clauses in the relevant legislations imposing cesses. This will ensure that cess taxes do not continue for an uncertain and unduly long amount of time.

Surcharges:

- Surcharges have primarily been imposed on the highest income tax slab on the basis that relatively well-off taxpayers need to shoulder a greater share of the tax burden. However, the same objective can be achieved by rationalising the income tax rates instead of imposing a surcharge in addition to income tax. Surcharges should not be used as a proxy for a progressive income tax.
- Surcharges must be understood as a temporary levy. They should be used sparingly and only for limited time periods. It may be advisable to view surcharges as a levy to be imposed only in times of distress such as a natural calamity or an unexpected revenue shortfall.
- Similar to the suggestion for cesses, it may be advisable to include sunset clauses in the relevant legislations to prevent surcharges from becoming a permanent feature of India's tax policy.

- The government, of late, has used cesses and surcharges as interchangeable terms. Thus, surcharges have been introduced for specific purposes even though levies with specific purposes are usually understood to be cesses and not surcharges. Examples of surcharges which have been named cesses are Additional Surcharge as Education Cess on Income Tax, Additional Surcharge as Secondary and Higher Education Cess on Income Tax and Additional Surcharge as Health and Education Cess on Income Tax. Additionally, while the Social Welfare Surcharge has been named a surcharge, its character is that of a cess since it is imposed for a specific purpose. Going forward, it may be advisable to keep in mind this distinction between a cess and a surcharge.

ANNEXURE – I

A. LIST OF CESSES SINCE 1944¹⁷⁵

Sr. No.	Name and Purpose of Cess (Tax/Fee)	Date of Imposition	Is it Still Continuing or Discontinued? (If discontinued, then date of discontinuation)	Tax Base of the Cess	Amount Collected under this Cess
1.	Cess on matches	Central Excise Rules, 1944	No data available in public domain to confirm continuance	Excise Duty	2012-2013: 158 thousand ¹⁷⁶ 2013-2014:- 1.2678 crores ¹⁷⁷ (Minus booking is due to more deduct refund under the head) ¹⁷⁸ 2014-2015: 92 thousand ¹⁷⁹ 2015-2016: 650 thousand ¹⁸⁰ 2016-2017: 541 thousand ¹⁸¹
2.	Cess on Mica Mines Purpose: An Act to	The Mica Mines Labour Welfare Fund Act, 1946	General Budget 2016-2017 Date of	Excise Duty	2012-2013: 13 thousand ¹⁸⁴ 2013-2014: 12

¹⁷⁵ The list of cesses has been compiled by relying on publicly available documents. It does not claim to be an exhaustive list of the cesses imposed by the Union Government since 1944. Where amounts are reflected in financial years subsequent to abolition of a levy, the same may be indicative of unutilized sums.

¹⁷⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

¹⁷⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

¹⁷⁸ Minus booking is due to more deduct refund under the head

¹⁷⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

¹⁸⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

¹⁸¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

	<i>constitute a fund for the financing of activities to promote the welfare of labour employed in the mica mining industry.</i> ¹⁸²	(w.e.f. 23rd April 1946)	discontinuation: 21st May, 2016 ¹⁸³		thousand ¹⁸⁵ 2014-2015: 8 thousand ¹⁸⁶ 2015-2016: 0 ¹⁸⁷ 2016-2017: 0 ¹⁸⁸
3.	Cess on rubber Purpose: <i>An Act to provide for the development, under the control of the Union, of the rubber industry WHEREAS it is expedient to provide for the development under the Control of the</i> <i>Union of the rubber industry.</i> <i>Section 12(1): With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be levied as a cess for the purposes of this Act, a duty of</i>	The Rubber Act 1947 (w.e.f. 18th April 1947)	Abolished via Taxation Law (Amendment) Act 2017 Date of discontinuation: 1st July 2017 ¹⁹⁰	Excise Duty	2012-2013: 125.9419 crore ¹⁹¹ 2013-2014: 115.4412 crore ¹⁹² 2014-2015: 104.99 crore ¹⁹³ 2015-2016: 100.23 crore ¹⁹⁴ 2016-2017: 102.30 crore ¹⁹⁵

¹⁸⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

¹⁸² The Mica Mines Labour Welfare Fund Act, 1946, Preamble.

¹⁸³ List of Cesses Abolished since 2015, available at <<http://www.cbec.gov.in/resources//htdocs-cbec/gst/list-of-cesses-abolished-2015.pdf>>

¹⁸⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

¹⁸⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

¹⁸⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

¹⁸⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

	<i>excise, on all rubber produced in India</i> ¹⁸⁹				
4.	<p>Cess on cotton</p> <p>Purpose:</p> <ul style="list-style-type: none"> <i>An Act to impose a cess on certain cotton textiles manufactured in the province of India.</i>¹⁹⁶ <i>An Act to provide for the establishment of a Committee for ensuring the quality of textiles and textile machinery and for matters connected therewith.</i>¹⁹⁷ 	<ul style="list-style-type: none"> Cotton Textiles Cess Act, 1948 (w.e.f. 31st December 1947) Produce Cess Act 1966 (w.e.f. Notification dated 27.4.1985) 	<ul style="list-style-type: none"> Repealed via Cotton Textile Cess (Repeal) Act 2000 (w.e.f. 9th June 2000) Repealed via Produce Cess Laws (Abolition) Act 2006 (w.e.f. September 25th, 2006) 	Excise Duty	<p>2012-2013: 271 thousand¹⁹⁸</p> <p>2013-2014: -58 thousand (Minus booking is due to more deduct refund under the head)¹⁹⁹</p> <p>2014-2015: 471 thousand²⁰⁰</p> <p>2015-2016: -427 thousand²⁰¹</p> <p>2016-2017: 119 thousand²⁰²</p>

¹⁹⁰ 'The Central Government abolished various Cesses in the last three years for smooth roll-out of GST', (Press Information Bureau, Government of India, Ministry of Finance) (June 7, 2017) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>.

¹⁹¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>.

¹⁹² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>.

¹⁹³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>.

¹⁹⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>.

¹⁹⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

¹⁸⁹ The Rubber Act, 1947, Preamble.

¹⁹⁶ Cotton Textiles Cess Act, 1948, Preamble.

¹⁹⁷ Textile Committee Act, 1963, Preamble.

¹⁹⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

¹⁹⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁰⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

5.	Cess on salt Purpose: <i>An Act to provide for the levy and collection of a cess on salt for the purpose of raising funds to meet the expenses incurred on the salt organisation maintained by Government and on the measures taken by Government in connection with the manufacture, supply and distribution of salt.</i> ²⁰³	The Salt Cess Act, 1953 (w.e.f. 2nd January 1954)	General Budget 2016-2017 Date of discontinuation: 21st May, 2016 ²⁰⁴	Excise Duty	2012-2013: 3.4949 crore ²⁰⁵ 2013-2014: 3.3056 crore ²⁰⁶ 2014-2015: 4.3281 crore ²⁰⁷ 2015-2016: 3.9187 crore ²⁰⁸ 2016-2017: 9108 thousand ²⁰⁹
6.	<i>Cess on tea</i> Purpose: <i>An act to provide for the control by the Union of the tea industry, including the control, in pursuance of the International</i>	The Tea Act 1953 (w.e.f 1st April 1954)	Abolished via Taxation Law (Amendment) Act 2017 Date of discontinuation: 1st July 2017 ²¹¹	Excise Duty	2012-2013: 56.4448 crore ²¹² 2013-2014: 58.9267 crore ²¹³ 2014-2015: 57.37 crore ²¹⁴ 2015-2016: 52.86 crore ²¹⁵ 2016-2017:

²⁰¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

²⁰² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

²⁰³ The Salt Cess Act, 1953, Preamble.

²⁰⁴ List of Cesses Abolished since 2015, available at <<http://www.cbec.gov.in/resources//htdocs-cbec/gst/list-of-cesses-abolished-2015.pdf>>

²⁰⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²⁰⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁰⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²⁰⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

²⁰⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

	<i>Agreement now in force, of the cultivation of tea in, and of the export of tea from, India and for that purpose to establish a Tea Board and Levy a duty of excise on tea produced in India.</i> ²¹⁰				62.28 crore ²¹⁶
7.	Cess on coffee Purpose: <i>An Act to provide for the development under the Control of the Union, of the coffee industry.</i> ²¹⁷	Coffee Act, 1942 (w.e.f. 19th April 1962)	Abolished via The Cess Laws (Repealing and Amending) Act 2006 (w.e.f. 1st June 2006)	Excise Duty	2012-2013: 1.5961 crore ²¹⁸ 2013-2014: 1.4149 crore ²¹⁹ 2014-2015: 754 thousand ²²⁰ 2015-2016: 199 thousand ²²¹ 2016-2017: 1.1022 crore ²²²

²¹¹ "The Central Government abolished various Cesses in the last three years for smooth roll-out of GST", (Press Information Bureau, Government of India, Ministry of Finance) (June 7, 2017) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>.

²¹² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²¹³ Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²¹⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²¹⁵ Broad Overview of Global and Indian Scenario, 62nd Annual Report 2015-2016, (Tea Board of India) available at <http://www.teaboard.gov.in/pdf/Tea_Board_Annual_Report_2015_16_pdf3913.pdf>

²¹⁰ The Tea Act, 1953, Preamble.

²¹⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

²¹⁷ Coffee Act, 1942, Preamble.

²¹⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²¹⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²²⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²²¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

					Despite abolition amount has increased over the years.
8.	Cess on Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines <i>Purpose: An Act to provide for the financing of activities to promote the welfare of persons employed in the iron ore mines, manganese ore mines and chrome ore mines.²²³</i>	Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1961 (w.e.f. October 1963)	General Budget 2016-2017 Date of discontinuation: 21st May, 2016 ²²⁴	Excise Duty	2012-2013: 16.4410 crore ²²⁵ 2013-2014: 17.2060 crore ²²⁶ 2014-2015: 16.1603 crore ²²⁷ 2015-2016: 15.8417 crore ²²⁸ 2016-2017: 7.5226 crore ²²⁹
9.	Handloom Cess on Rayon and Artificial silk fabrics <i>Purpose: An Act to provide for the establishment of a Committee for ensuring the quality</i>	Textile Committee Act, 1963 (w.e.f. 3rd December 1963)	Abolished via Notification issued by Ministry of Textile on 1st June 2007 ²³¹	Excise Duty	2012-2013: 269 thousand ²³² 2013-2014: 517 thousand ²³³ 2014-2015: 0 ²³⁴ 2015-2016: - 447 thousand ²³⁵ 2016-2017: 20 thousand ²³⁶

²²² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

²²³ Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1961. Preamble.

²²⁴ List of Cesses Abolished since 2015, available at <<http://www.cbec.gov.in/resources//htdocs-cbec/gst/list-of-cesses-abolished-2015.pdf>>

²²⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²²⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²²⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²²⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

²²⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

	<i>of textiles and textile machinery and for matters connected therewith.</i> ²³⁰				
10	Handloom Cess on Woollen Fabrics Purpose: <i>An Act to provide for the establishment of a Committee for ensuring the quality of textiles and textile machinery and for matters connected therewith.</i> ²³⁷	Textile Committee Act, 1963 (w.e.f. 3rd December 1963)	Abolished via Notification issued by Ministry of Textile on 1st June 2007 ²³⁸	Excise Duty	2012-2013: 9 thousand ²³⁹ 2013-2014: - 1.6460 crores (Minus booking is due to more deduct refund under the head) ²⁴⁰ 2014-2015: 300 thousand ²⁴¹ 2015-2016: 75 thousand ²⁴² 2016-2017: 22 thousand ²⁴³

²³¹ Notification, Ministry of Textiles, (June 1, 2007) available at <http://textilescommittee.nic.in/writereaddata/files/notification.pdf>

²³² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf

²³³ Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf

²³⁴ Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>

²³⁵ Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>

²³⁶ Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>

²³⁰ Textile Committee Act, 1963, Preamble.

²³⁷ Textile Committee Act, 1963, Preamble.

²³⁸ Notification, Ministry of Textiles, (June 1, 2007) available at <http://textilescommittee.nic.in/writereaddata/files/notification.pdf>

²³⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf

²⁴⁰ Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf

²⁴¹ Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>

²⁴² Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>

11	<p>Handloom Cess on Cotton Fabrics Purpose: <i>An Act to provide for the establishment of a Committee for ensuring the quality of textiles and textile machinery and for matters connected therewith.</i>²⁴⁴</p>	Textile Committee Act, 1963 (w.e.f. 3rd December 1963)	Abolished via Notification issued by Ministry of Textile on 1st June 2007 ²⁴⁵	Excise Duty	<p>2012-2013: 1397 thousand²⁴⁶ 2013-2014: 1706 thousand (Minus booking is due to more deduct refund under the head)²⁴⁷ 2014-2015: 1 thousand²⁴⁸ 2015-2016: 80 thousand²⁴⁹ 2016-2017: 907 thousand²⁵⁰</p>
12	<p>Cess on oil and oil seeds Purpose: <i>An Act to provide for the imposition of cess on certain produce for the improvement and development of the methods of cultivation and marketing of such produce and for</i></p>	Produce Cess Act, 1966. (w.e.f. 21st May 1966)	Abolished via Produce Cess Laws (Abolition) Act 2006 (w.e.f. September 25th, 2006)	Excise Duty	<p>2012-2013: 970 thousand²⁵² 2013-2014: - 3871 thousand (Minus booking is due to more deduct refund under the head)²⁵³ 2014-2015: 5.721 crore²⁵⁴ 2015-2016: 262</p>

²⁴³ Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

²⁴⁴ Textile Committee Act, 1963, Preamble.

²⁴⁵ Notification, Ministry of Textiles, (June 1, 2007) available at <http://textilescommittee.nic.in/writereaddata/files/notification.pdf>

²⁴⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²⁴⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁴⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

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²⁵⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

	<i>matters connected therewith.</i> ²⁵¹				thousand ²⁵⁵ 2016-2017: 3383 thousand ²⁵⁶ Despite abolition amount has increased over the years.
13	<p>Cess on Exports Purpose:</p> <ul style="list-style-type: none"> <i>An Act to provide for the establishment of an Authority for the development of the marine products industry under the control of the Union and for matters connected therewith.</i>²⁵⁷ <i>An Act to provide for the levy and collection, by way of a cess, of a duty of customs on the exports of certain agricultural and processed food products for the development and</i> 	<ul style="list-style-type: none"> The Marine Products Export Development Authority Act, 1972 (w.e.f, 20th April 1972) Agricultural and Processed Food Products Export Cess Act, 1986 (w.e.f. 15th December 1986) The Spices Cess Act, 1986 (w.e.f. 20th 	<ul style="list-style-type: none"> The cess on Marine Products Export Development Authority is repealed via Gazette Notification No.26 dated June 2, 2006.²⁶⁰ Agriculture act and spice act repealed via The Cess Laws (Repealing and Amending) Act, 2006 (w.e.f. 1st June 2006) 	Excise Duty	2012-2013: 345.2022 crore ²⁶¹ 2013-2014: 1820.2982 crore ²⁶² 2014-2015: 1179.0601 crore ²⁶³ 2015-2016: 122.3911 crore ²⁶⁴ 2016-2017: 177.2088 crore ²⁶⁵

²⁵² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²⁵³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁵⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²⁵¹ Produce Cess Act, 1966, Preamble.

²⁵⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

²⁵⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

²⁵⁷ The Marine Products Export Development Authority Act, 1972, Preamble.

	<p><i>promotion of their export and for matters connected therewith.</i>²⁵⁸</p> <ul style="list-style-type: none"> • <i>An Act to provide for imposition of cess on all spices which are exported for the, purposes of carrying out measures for the development of export of spices.</i>²⁵⁹ 	March 1986)			
14	<p>Cess on Limestone and Dolomite Mines Purpose: <i>An Act to provide for the levy and collection of a cess on limestone and dolomite for the financing of activities to promote the welfare of persons employed in the limestone and dolomite mines.</i>²⁶⁶</p>	The Limestone and Dolomite Mines Labour Welfare Funds Act, 1972 (w.e.f. 1st December 1973)	General Budget 2016-2017 Date of discontinuation: 21st May, 2016 ²⁶⁷	Excise Duty	<p>2012-2013: 31.1933 crore²⁶⁸</p> <p>2013-2014: 30.8780 crore²⁶⁹</p> <p>2014-2015: 31.7250 crore²⁷⁰</p> <p>2015-2016: 30.8258 crore²⁷¹</p> <p>2016-2017: 10.8215 crore²⁷²</p>

²⁶⁰ Chapter IV, Finance, Accounts and Audits available at <http://mpeda.gov.in/MPEDA/cnt_chapter_4.php#>

²⁶¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²⁶² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁶³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²⁶⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

²⁶⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

²⁵⁸ Agricultural and Processed Food Products Export Cess Act, 1986, Preamble.

²⁵⁹ The Spices Cess Act, 1986, Preamble.

²⁶⁶ The Limestone and Dolomite Mines Labour Welfare Funds Act, 1972, Preamble.

²⁶⁷ List of Cesses Abolished since 2015, available at <<http://www.cbec.gov.in/resources//htdocs-cbec/gst/list-of-cesses-abolished-2015.pdf>>

15	<p>Cess on crude oil Purpose: <i>An Act to provide for the establishment of a Board for the development of oil industry and for that purpose to levy a duty of excise on crude oil and natural gas and for matters connected therewith.</i>²⁷³</p>	Oil Industries (Development) Act, 1974 (w.e.f. 26th September 1974)	Still Continues	Excise Duty	<p>2012-2013: 14510.3663 crore²⁷⁴</p> <p>2013-2014: 14533.2039 crore²⁷⁵</p> <p>2014-2015: 14655.0476 crore²⁷⁶</p> <p>2015-2016: 14310.6877 crore²⁷⁷</p> <p>2016-2017: 12,618 crores²⁷⁸</p> <p>2017-2018: 14000.00 crores (estimate)²⁷⁹</p> <p>2018-2019: 14850.00 crores</p>
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²⁶⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²⁶⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁷⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²⁷¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

²⁷² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

²⁷³ Oil Industries (Development) Act, 1974, Preamble.

²⁷⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²⁷⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁷⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²⁷⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

²⁷⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

²⁷⁹ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

					(estimate) ²⁸⁰
16	Cess on Textile Purpose: <i>An Act to provide for the establishment of a Committee for ensuring the quality of textiles and textile machinery and for matters connected therewith.</i> ²⁸¹	The Textile Committee Act, 1963 (w.e.f. 25th February 1975)	General Budget 2016-2017 Date of discontinuation: 21st May, 2016 ²⁸²	Excise Duty	2012-2013: 6000 thousand ²⁸³ 2013-2014: 770 thousand ²⁸⁴ 2014-2015: 1.2891 crore ²⁸⁵ 2015-2016: 1.0931 crore ²⁸⁶ 2016-2017: 2.3103 crore ²⁸⁷
17	Cess on coal and coke Purpose: <i>Section 4: The Central Government may, for the purpose of conservation of coal and for the development of coal mines, exercise such powers and take or cause to be taken, such measures as it may deem necessary</i>	The Coal Mines (Conservation and Development) Act, 1974 (w.e.f. 1st April 1975)	Abolished via Taxation Law (Amendment) Act 2017 Date of discontinuation: 1st July 2017 ²⁸⁹	Excise Duty	2012-2013: 556.8647 crore ²⁹⁰ 2013-2014: 565.3996 crore ²⁹¹ 2014-2015: 597.2380 crore ²⁹² 2015-2016: 610.6661 crore ²⁹³ 2016-2017: 640.0441

²⁸⁰ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

²⁸¹ The Textile Committee Act, 1963, Preamble.

²⁸² List of Cesses Abolished since 2015, available at <<http://www.cbec.gov.in/resources//htdocs-cbec/gst/list-of-cesses-abolished-2015.pdf>>

²⁸³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²⁸⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁸⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²⁸⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

²⁸⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

	<i>or proper or as may be prescribed.</i> ²⁸⁸				crore ²⁹⁴
18	<p>Cess on tobacco products in the form of excise duty</p> <p>Purpose: <i>An Act to provide for the levy and collection, by way of cess, of a duty of excise on virginia tobacco and a duty of customs on tobacco, for the development of tobacco industry and for matters connected therewith.</i>²⁹⁵</p>	Tobacco Cess Act, 1975 (w.e.f. 1st January 1976)	General Budget 2016-2017 Date of discontinuation: 21st May, 2016 ²⁹⁶	Excise Duty	<p>2012-2013: 3104 thousand²⁹⁷</p> <p>2013-2014: 3039 thousand²⁹⁸</p> <p>2014-2015: 4437 thousand²⁹⁹</p> <p>2015-2016: 3801 thousand³⁰⁰</p> <p>2016-2017: 1177 thousand³⁰¹</p>

²⁸⁹ "The Central Government abolished various Cesses in the last three years for smooth roll-out of GST", (Press Information Bureau, Government of India, Ministry of Finance) (June 7, 2017) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>.

²⁹⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²⁹¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁹² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

²⁹³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

²⁸⁸ The Coal Mines (Conservation and Development) Act, 1974, Section 4.

²⁹⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

²⁹⁵ Tobacco Cess Act, 1975, Preamble.

²⁹⁶ List of Cesses Abolished since 2015, available at <<http://www.cbec.gov.in/resources//htdocs-cbec/gst/list-of-cesses-abolished-2015.pdf>>

²⁹⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

²⁹⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

²⁹⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

19	Cess on Copra Purpose: <i>An Act to provide for the imposition of cess on copra, for the development of the coconut industry and for matters connected therewith.</i> ³⁰²	Copra Cess Act, 1979 (w.e.f. 1st April 1979)	Repealed via The Cotton, Copra and Vegetable Oils Cess (Abolition) Act, 1987 (w.e.f. March 21st, 1987)	Excise Duty	2012-2013: 738 thousand ³⁰³ 2013-2014: 306 thousand ³⁰⁴ 2014-2015: 345 thousand ³⁰⁵ 2015-2016: 4 thousand ³⁰⁶ 2016-2017: 2116 thousand ³⁰⁷
20	Cess on strawberry Purpose: <i>An Act to provide for the development and regulation of certain industries. Section 9(4) of the said Act</i>	The Industries (Development and Regulation) Act, 1951 (w.e.f. 31st October 1951) read with	Exempted in 2016. Abolished with effect from 01.07.2017 by the Taxation Laws (Amendment) Act, 2017 ³⁰⁹	Excise Duty	2012-2013: 433 thousand ³¹⁰ 2013-2014: 518 thousand ³¹¹ 2014-2015: 1012 thousand ³¹² 2015-2016: 561

³⁰⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

³⁰¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

³⁰² Copra Cess Act, 1979, Preamble.

³⁰³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

³⁰⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

³⁰⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

³⁰⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

³⁰⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

³⁰⁹ List of Cesses Abolished since 2015, available at <<http://www.cbec.gov.in/resources//htdocs-cbec/gst/list-of-cesses-abolished-2015.pdf>>

³¹⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

³¹¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

<p><i>provides for purpose for which such proceeds of cess will be utilised. The purposes are:</i></p> <p><i>(a) to promote scientific and industrial research with reference to the scheduled industry or group of scheduled industries in respect of which the Development Council is established;</i></p> <p><i>(b) to promote improvements in design and quality with reference to the products of such industry or group of industries;</i></p> <p><i>(c) to provide for the training of technicians and labour in such industry or group of industries;</i></p> <p><i>(d) to meet such expenses in the exercise of its functions and its administrative expenses as may be prescribed.</i></p> <p><i>Rule 10 of the said rules also provides for certain other purposes for which cess can be utilised.</i></p> <p><small>308</small></p>	<p>Paper and Paper Board Cess Rules 1980 (w.e.f. 16th February 1981)</p>			<p>thousand³¹³ 2016-2017: 354 thousand³¹⁴</p>
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³¹² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>

³⁰⁸ The Industries (Development and Regulation) Act, 1951, Section 4 read with Paper and Paper Board Cess Rules 1980.

21	<p>Cess on Paper Purpose: <i>An Act to provide for the development and regulation of certain industries. Section 9(4) of the said Act provides for purpose for which such proceeds of cess will be utilised. The purposes are:</i> <i>(a) to promote scientific and industrial research with reference to the scheduled industry or group of scheduled industries in respect of which the Development Council is established;</i> <i>(b) to promote improvements in design and quality with reference to the</i></p>	<p>The Industries (Development and Regulation) Act, 1951 (w.e.f. 31st October 1951) read with Paper and Paper Board Cess Rules 1980 (w.e.f. 16th February 1981)</p>	<p>Abolished via Taxation Law (Amendment) Act 2017 Date of discontinuation: 1st July 2017³¹⁶</p>	<p>Excise Duty</p>	<p>2012-2013: 55.5974 crore³¹⁷ 2013-2014: 64.3511 crore³¹⁸ 2014-2015: 66.6386 crore³¹⁹ 2015-2016: 68.8555 crore³²⁰ 2016-2017: 72.1255 crore³²¹</p>
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³¹³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

³¹⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

³¹⁶ 'The Central Government abolished various Cesses in the last three years for smooth roll-out of GST', (Press Information Bureau, Government of India, Ministry of Finance) (June 7, 2017) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>.

³¹⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

³¹⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

³¹⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

³²⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

³²¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

	<p><i>products of such industry or group of industries;</i></p> <p><i>(c) to provide for the training of technicians and labour in such industry or group of industries;</i></p> <p><i>(d) to meet such expenses in the exercise of its functions and its administrative expenses as may be prescribed.</i></p> <p><i>Rule 10 of the said rules also provides for certain other purposes for which cess can be utilised.³¹⁵</i></p>				
22	<p>Cess on manufacture of Beedi</p> <p>Purpose: <i>An Act to provide for the levy and collection, by way of cess, a duty of excise on [manufactured beedis].³²²</i></p>	<p>The Beedi Workers' Welfare Cess Act, 1971 (w.e.f. 1st January 1982)</p>	<p>Abolished via Taxation Law (Amendment) Act 2017</p> <p>Date of discontinuation: 1st July 2017³²³</p>	<p>Excise Duty</p>	<p>2012-2017: 825.34 crores³²⁴</p>
23	<p>Cess on sugar</p> <p>Purpose: <i>An Act to provide for the imposition of a cess on sugar for the</i></p>	<p>Sugar Cess Act, 1982 (w.e.f. 19th March 1982)</p>	<p>Abolished via Taxation Law (Amendment) Act 2017</p> <p>Date of</p>	<p>Excise Duty</p>	<p>1982-2017: 12964.08 crore (calculated the total from accounts)</p>

³¹⁵ The Industries (Development and Regulation) Act, 1951, Section 4 read with Paper and Paper Board Cess Rules 1980

³²² The Beedi Workers' Welfare Cess Act, 1971, Preamble.

³²³ 'The Central Government abolished various Cesses in the last three years for smooth roll-out of GST', (Press Information Bureau, Government of India, Ministry of Finance) (June 7, 2017) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>.

³²⁴ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 56 [2.3.8.] available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

	<i>development of sugar industry and for matters connected therewith.</i> ³²⁵		discontinuation: 1st July 2017 ³²⁶		mentioned on site) ³²⁷
24	<p>Cess on vegetable oil</p> <p>Purpose:</p> <ul style="list-style-type: none"> • <i>An Act to provide for the levy and collection of a cess on vegetable oils for the development of the oilseeds industry and the vegetable oils industry and for matters connected therewith.</i>³²⁸ • <i>An Act to provide for the development under the control of the Union of the oilseeds industry and the vegetable oils industry and for matters connected therewith.</i>³²⁹ 	<ul style="list-style-type: none"> • The Vegetable Oil Cess Act 1983 (w.e.f. 7th September 1983) • The National Oil Seeds and Vegetable Oil Development Board Act 1983 (w.e.f. 8th September 1983) 	Repealed via The Cotton, Copra And Vegetable Oils Cess (Abolition) Act, 1987 (w.e.f. 21st March 1987) ³³⁰	Excise Duty	<p>2012-2013: 672 thousand³³¹</p> <p>2013-2014: 394 thousand³³²</p> <p>2014-2015: 423 thousand³³³</p> <p>2015-2016: 45 thousand³³⁴</p> <p>2016-2017: 1 thousand³³⁵</p>

³²⁵ Sugar Cess Act, 1982, Preamble.

³²⁶ 'The Central Government abolished various Cesses in the last three years for smooth roll-out of GST', (Press Information Bureau, Government of India, Ministry of Finance) (June 7, 2017) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>.

³²⁷ Sugar Development Fund Account, available at <<http://dfpd.nic.in/sdf-accounts.htm>>

³²⁸ The Vegetable Oil Cess Act, 1983, Preamble.

³²⁹ The National Oil Seeds and Vegetable Oil Development Board Act, 1983, Preamble.

³³⁰ The Cotton, Copra And Vegetable Oils Cess (Abolition) Act, 1987, Chapter IV.

³³¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

³³² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

³³³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

³³⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

25	<p>Cess on automobiles Purpose: Rule 3: Save as otherwise provided in these rules, the provisions of [Central Excise Act, 1944] (1 of 1944), and the rules made thereunder including those relating to refund of duty, shall, so far as may, apply in relation to the levy and collection of the cess as they apply in relation to the levy and collection of the duty of excise on manufacture of automobiles under the Act and the Rules.³³⁶</p>	<p>Automobile Cess Rules, 1984 (w.e.f. 29th December 1983)</p>	<p>Abolished via Taxation Law (Amendment) Act 2017 Date of discontinuation: 1st July 2017³³⁷</p>	<p>Excise Duty</p>	<p>2012-2013: 315.9354 crore³³⁸ 2013-2014: 310.4896 crore³³⁹ 2014-2015: 370.35 crore³⁴⁰ 2015-2016: 386.36 crore³⁴¹ 2016-2017: 408.5468 crore³⁴²</p>
26	<p>Cess on Jute Purpose: An Act to provide for the levy and collection, by way of cess, of a duty</p>	<p>The Jute Manufacturers Cess Act 1983 along with Jute Manufacture</p>	<p>Abolished via Taxation Law (Amendment) Act 2017 Date of</p>	<p>Excise Duty</p>	<p>2013-2014:- 218.0034 crores (Minus booking is due to more deduct refund</p>

³³⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

³³⁶ Automobile Cess Rules, 1984, Rule 3.

³³⁷ 'The Central Government abolished various Cesses in the last three years for smooth roll-out of GST', (Press Information Bureau, Government of India, Ministry of Finance) (June 7, 2017) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>.

³³⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

³³⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

³⁴⁰ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

³⁴¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

³⁴² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

	<i>of excise on jute manufacturer for the purpose of carrying out measures for the development of production of jute manufactures and for matters connected therewith.</i> ³⁴³	Cess Rules, 1984 (w.e.f. 15th September 1984)	discontinuation: 1st July 2017 ³⁴⁴		under the head) ³⁴⁵ 2014-2015: - 285.2094 crores (Minus booking is due to more deduct refund under the head) ³⁴⁶ 2015-2016: - 99.2401 crores (Minus booking is due to more deduct refund under the head.) ³⁴⁷ 2016-2017: 96.0683 crore ³⁴⁸
27	Cess on Feature Film Purpose: <i>An Act to provide for the financing of activities to promote the welfare of certain cine-workers</i> ³⁴⁹	Cine Workers Welfare Act 1981 (w.e.f. 1st November 1984 vide G.S.R. 721(E), dated 12th October, 1984)	General Budget 2016-2017 Date of discontinuation: 21st May, 2016 ³⁵⁰	Excise Duty	2012-2013: 2.2354 crore ³⁵¹ 2013-2014: 2.1263 crore ³⁵² 2014-2015: 3.83 crore ³⁵³ 2015-2016: 1.93 crore ³⁵⁴ 2016-2017:

³⁴³ The Jute Manufacturers Cess Act 1983, Preamble.

³⁴⁴ 'The Central Government abolished various Cesses in the last three years for smooth roll-out of GST', (Press Information Bureau, Government of India, Ministry of Finance) (June 7, 2017) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>.

³⁴⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

³⁴⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

³⁴⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

³⁴⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

³⁴⁹ Cine Workers Welfare Act 1981, Preamble.

³⁵⁰ List of Cesses Abolished since 2015, available at <<http://www.cbec.gov.in/resources//htdocs-cbec/gst/list-of-cesses-abolished-2015.pdf>>

³⁵¹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

³⁵² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

					0.86 crore ³⁵⁵
28	Research and Development Cess Purpose: <i>An Act to provide for the levy and collection of a cess on all payments made for the import of technology for the purpose of encouraging the commercial application of indigenously developed technology and for adapting imported technology to wider domestic application and for matters connected therewith or incidental thereto.</i> ³⁵⁶	Research and Development Cess Act, 1986. (w.e.f. 1st December 1987)	Abolished via 2017 Finance Bill (Budget 2017) Date of discontinuation: 1st April 2017 ³⁵⁷	Excise Duty	1996-2017: 7,885.54 crores ³⁵⁸
29	Water Cess Purpose: <i>An Act to provide for the levy and collection of a cess on water consumed by persons carrying on</i>	Water (Prevention and Control of Pollution) Cess Act 1977 amended in 1992	Abolished via Taxation Law (Amendment) Act 2017 Date of discontinuation: 1st July 2017 ³⁶⁰	Excise Duty	1998-2008: 941 crores ³⁶¹ 2008-2011: 670 crores ³⁶² 2011-2012: 220.1866 crore ³⁶³

³⁵³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

³⁵⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

³⁵⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

³⁵⁶ Research and Development Cess Act, 1986, Preamble.

³⁵⁷ Union Budget 2017, (Government of India, Ministry of Finance, Department of Revenue) F. No.334/7/2017-TRU available at <<https://www.indiabudget.gov.in/budget2017-2018/ub2017-18/cen/dojstru2.pdf>>

³⁵⁸ Press Release, CAG's Audit Report on Accounts of Union Government tabled in Parliament, Office of Comptroller and Auditor General of India (December 19 2017) available at <https://www.cag.gov.in/sites/default/files/press_release/Press_44_of_2017.pdf>.

³⁶⁰ State Pollution Control Board, Odisha (October 10 2017) available at <<http://ospboard.org/wp-content/uploads/2017/01/Notice-Abolish-of-Water-Cess-13604.pdf>>

	<i>certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.³⁵⁹</i>	(w.e.f. 26th January 1992)			2012-2013: 226.1918 crore ³⁶⁴ 2013-2014: 261.7341 crore ³⁶⁵ 2014-2015: 251.2179 crore ³⁶⁶ 2015-2016: 242.9684 crores ³⁶⁷ 2016-2017: 215.8401 crore ³⁶⁸
30	Cess on cement Purpose: <i>An Act to provide for the development and regulation of certain industries. Section 9(4) of the said Act provides for purpose for which such proceeds of cess will</i>	Section 9(1) of the Industries (Development and Regulation) Act, 1951 (read with Cement Cess Rules, 1993 made there under)	Exempted in 2016. Abolished with effect from 01.07.2017 by the Taxation Laws (Amendment) Act, 2017 ³⁷⁰	Excise Duty	2013-2014: 19.02 crores 2014-2015: 19.06 crores ³⁷¹

³⁶¹ Reimbursement of 80% of the water Cess back to the states to undertaking Projects through CPCB, Ministry of Environment, Forest and Climate Change (December 5 2008) available at <<http://www.pib.nic.in/newsite/erelcontent.aspx?relid=45340>>

³⁶² Collection of Water Cess, (Press Information Bureau, Ministry of Environment, Forest and Climate Change) (August 29 2011) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=75243>>

³⁶³ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2011-2012) available at <[http://www.cga.nic.in/writereaddata/Statement%20No%208_20112012\(1\).pdf](http://www.cga.nic.in/writereaddata/Statement%20No%208_20112012(1).pdf)>

³⁵⁹ Water (Prevention and Control of Pollution) Cess Act 1977, Preamble.

³⁶⁴ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

³⁶⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2013-2014) available at <http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

³⁶⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2014-2015) available at <<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

³⁶⁷ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2015-2016) available at <<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

³⁶⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

³⁷⁰ List of Cesses Abolished since 2015, available at <<http://www.cbec.gov.in/resources//htdocs-cbec/gst/list-of-cesses-abolished-2015.pdf>>

³⁷¹ India 2017: Reference Annual, New Media Wing, Ministry of Information and Broadcasting of India

	<p><i>be utilised. The purposes are:</i></p> <p><i>(a) to promote scientific and industrial research with reference to the scheduled industry or group of scheduled industries in respect of which the Development Council is established;</i></p> <p><i>(b) to promote improvements in design and quality with reference to the products of such industry or group of industries;</i></p> <p><i>(c) to provide for the training of technicians and labour in such industry or group of industries;</i></p> <p><i>(d) to meet such expenses in the exercise of its functions and its administrative expenses as may be prescribed.</i></p> <p><i>Rule 8 of the said rules also provides for certain other purposes for which cess can be utilised.³⁶⁹</i></p>	(w.e.f. 23rd April 1993)			
31	Building and Other Construction	The Building and Other Construction	Still Continues	Excise Duty	1996-2017: 32,632.96 crore ³⁷⁴

³⁶⁹ The Industries (Development and Regulation) Act, 1951, Section 9(1) read with Cement Cess Rules, 1993.

	<p>Workers Welfare Cess³⁷² Purpose: <i>An act to provide for the levy and collection of a cess on the cost of construction incurred by employers with a view to augmenting the resources of the Building and Other Construction Workers' Welfare Boards constituted under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.³⁷³</i></p>	Workers Welfare Cess, Act, 1996 (w.e.f. 19th August 1996)			
32	<p>Cess on petrol as additional duty of custom and excise Purpose: <i>Additional Duty of Customs and an Additional Duty of Excise are levied Petrol under Section 103 and Section 111 of the Finance</i></p>	Section 103 and Section 111 of the Finance Act, 1998 (w.e.f. 1st August 1998) (Central Road Fund)	Abolished on 2nd February 2018. (Replaced with Road and Infrastructure Cess)	Customs Duty	<p>2014-2015: 5996.14 crore³⁷⁶ 2015-2016: 17300.83 crore³⁷⁷ 2016-2017: 18827.83 crore³⁷⁸</p>

³⁷⁴ Standing Committee on Labour on Cess Funds and their Utilisation for Workers' Welfare (Ministry of Labour & Employment) (August 10, 2017) available at <http://164.100.47.193/lssccommittee/Labour/16_Labour_28.pdf>

³⁷² This levy has been held to be a cess fee by the Supreme Court in Builders Association v Union of India, ILR (2007) 1 Delhi 1143 [28] as the proceeds are not merged in the general pool but specifically earmarked for the benefit of construction workers. For understanding difference between cess tax and cess fee, refer to Chapter II titled 'Understanding Tax, Fee, Cess and Surcharge' above.

³⁷³ The Building and Other Construction Workers Welfare Cess, Act, 1996, Preamble.

³⁷⁶ Tax Revenue Receipt Budget 2016-2017 available at <<https://www.indiabudget.gov.in/budget2016-2017/ub2016-17/rec/tr.pdf>>

³⁷⁷ Tax Revenue Receipt Budget 2017-2018 available at <<https://www.indiabudget.gov.in/budget2017-2018/ub2017-18/rec/tr.pdf>>

³⁷⁸ Tax Revenue Receipt Budget 2018-2019 available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

<p><i>(No.2) Act, 1998, respectively. The revenue collected is initially credited to the Consolidated Fund of India and thereafter, Parliament by appropriation credits such proceeds after adjusting cost of collection, to the Central Road fund (CRF). Section 7 of the Central Road Fund Act, 2000 lays down that CRF shall be utilised for the –</i></p> <ul style="list-style-type: none"> <i>(i) development and maintenance of national highways;</i> <i>(ii) development of the rural roads;</i> <i>(iii) development and maintenance of other State roads including roads of inter-State and economic importance;</i> <i>(iv) construction of roads either under or over the railways by means of a bridge and erection of safety works at unmanned rail-road crossings; and</i> <i>(v) Disbursement in respect of such projects as may be prescribed.³⁷⁵</i> 			
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³⁷⁵ Cess on Petroleum Products (Press Information Bureau, Ministry of Petroleum & Natural Gas) (March 2 2015) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=116262>>

	<p>Cess on high speed diesel oil as additional duty of custom and excise</p> <p>Purpose: <i>Additional Duty of Customs and an Additional Duty of Excise is levied and collected as cess, on High Speed Diesel Oil under Section 116 and 133 of Finance Act, 1999, respectively.</i></p> <p><i>The revenue collected is initially credited to the Consolidated Fund of India and thereafter, Parliament by appropriation credits such proceeds after adjusting cost of collection, to the Central Road fund (CRF). Section 7 of the Central Road Fund Act, 2000 lays down that CRF shall be utilised for the –</i></p> <p><i>(i) development and maintenance of national highways;</i></p> <p><i>(ii) development of the rural roads;</i></p> <p><i>(iii) development and maintenance of other State roads</i></p>	<p>Section 116 and 133 of Finance Act, 1999 (w.e.f. 11th May 1999) (Central Road Fund)</p>	<p>Abolished on 2nd February 2018. (Replaced with Road and Infrastructure Cess)</p>	<p>Customs Duty</p>	<p>2014-2015: 19143.55 crore³⁸⁰</p> <p>2015-2016: 52241.03 crore³⁸¹</p> <p>2016-2017: 53571.70 crore³⁸²</p>
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³⁸⁰ Tax Revenue, Receipt Budget 2016-2017 available at <<http://www.indiabudget.gov.in/budget2016-2017/ub2016-17/rec/tr.pdf>>

³⁸¹ Tax Revenue, Receipt Budget 2017-2018 available at <<http://www.indiabudget.gov.in/budget2017-2018/ub2017-18/rec/tr.pdf>>

³⁸² Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

	<p>including roads of inter-State and economic importance;</p> <p>(iv) construction of roads either under or over the railways by means of a bridge and erection of safety works at unmanned rail-road crossings; and</p> <p>(v) Disbursement in respect of such projects as may be prescribed.³⁷⁹</p>				
34	<p>National Calamity Contingent Duty³⁸³</p> <p>Purpose: <i>In the case of goods specified in the Seventh Schedule to the Finance Act 2001, being goods manufactured or produced, there shall be levied and collected for the purposes of the Union, by surcharge, a duty of excise, to be called the National Calamity Contingent duty (hereinafter referred to as the National Calamity duty), at the rates</i></p>	<p>Section 136 of Finance Act 2001 (w.e.f. June 1, 2001)</p>	<p>Abolished via Taxation Law (Amendment) Act 2017 except on tobacco, cigarettes and petroleum crude. Date of discontinuation: 1st July 2017</p>	<p>Excise Duty</p>	<p>2012-2013: 32,46,16,34 thousand³⁸⁵</p> <p>2013-2014: 35,46,06,80 thousand³⁸⁶</p> <p>2014-2015: 37,32,55,45 thousand³⁸⁷</p> <p>2015-2016: 51,72,92,71 thousand³⁸⁸</p> <p>2016-2017: 64,26,20,37 thousand³⁸⁹</p> <p>2017-2018: 3660 crores (estimate)³⁹⁰</p> <p>2018-2019: 2500 crores (estimate)³⁹¹</p>

³⁷⁹ Cess on Petroleum Products (Press Information Bureau, Ministry of Petroleum & Natural Gas) (March 2 2015) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=116262>>

³⁸³ There is an ambiguity with regard to the nature of levy; whether it is a cess or a surcharge because by reading Section 136, it can be considered to be a surcharge. However, NCCD on items except tobacco products and petroleum oil have been subsumed under GST and it has been treated as a cess. For reference <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>

	<i>specified in the said Schedule.³⁸⁴</i>				
35	<p>Primary Education Cess</p> <p>Purpose: <i>Section 8(1) Without prejudice to the provisions of sub-section (11) of section 2, there shall be levied and collected in accordance with the provisions of this Chapter as surcharge for purposes of the Union, a cess to be called the Education cess, to fulfil the commitment of the Government to provide and finance universalised quality basic education.³⁹²</i></p>	Finance Act, (No. 2) of 2004. (w.e.f. 1st April 2004)	Budget 2018 replaced Primary Education Cess on all goods except on imported goods with a new Health and Education Cess. And replaced Primary Education Cess on imported goods with a Social Welfare Surcharge to be levied on imported goods. ³⁹³	Corporation Tax, Income Tax, Excise Duty, Service Tax and Customs Duty	<p>2004-2015: 1,54,818 crores³⁹⁴</p> <p>2015-2016: 18,783 crores³⁹⁵</p> <p>2016-2017: 20,220 crores³⁹⁶</p>

³⁸⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at

<http://www.cga.nic.in/writereaddata/Statement_8_20122013.pdf>

³⁸⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government 2013-2014) available at

<http://www.cga.nic.in/writereaddata/Statement_8_20132014.pdf>

³⁸⁷ 'Detailed Account of Revenue Receipts and Capital receipts by Minor Heads' (Finance Accounts, Union Government 2014-2015) available at

<<http://www.cga.nic.in/writereaddata/Fin20142015Statement8.pdf>>

³⁸⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government 2015-2016) available at

<<http://www.cga.nic.in/writereaddata/Fin20152016Statement8.pdf>>

³⁸⁹ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government 2016-2017) available at

<<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

³⁹⁰ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

³⁹¹ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

³⁸⁴ Finance Act, 2001, (Act 14 of 2001), Section 136.

³⁹² Finance Act, (No. 2) of 2004, Section 8(1).

³⁹³ Summary of Budget 2018-2019 (Press Information Bureau, Ministry of Finance) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=176062>>.

36	<p>Secondary and Higher Education Cess</p> <p>Purpose: <i>Section 136 (1) Without prejudice to the provisions of sub-section (12) of section 2, there shall be levied and collected, in accordance with the provisions of this Chapter as surcharge for purposes of the Union, a cess to be called the Secondary and Higher Education Cess, to fulfil the commitment of the Government to provide and finance secondary and higher education.³⁹⁷</i></p>	Finance Act, 2007 (w.e.f. 1st March 2007)	Budget 2018 replaced Secondary and Higher Education Cess on all goods except on imported goods with a new Health and Education Cess. Moreover, it replaced Secondary and Higher Education Cess on imported goods with a Social Welfare Surcharge to be levied on imported goods. ³⁹⁸	Excise Duty, Service Tax and Customs Duty	2006-2017: 83,497 crores ³⁹⁹
37	<p>Clean Energy Cess/ Clean Environment Cess</p>	Finance Act, 2010 (w.e.f. 1st July)	Abolished via Taxation Law (Amendment)	Excise Duty	2010-2017: 53,967.23 crores ⁴⁰¹

³⁹⁴ Report of Comptroller and Auditor General of India for the year 2014-2015 (Union Government Accounts of the Union Government No. 50 of 2015) 43 [2.3.4] available at https://www.cag.gov.in/sites/default/files/audit_report_files/Union_Finacne_Report_50_2015_0.pdf

³⁹⁵ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 8 [1.2.6.] available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

³⁹⁶ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 8 [1.2.6.] available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

³⁹⁷ Finance Act 2007, Section 136(1).

³⁹⁸ Summary of Budget 2018-2019 (Press Information Bureau, Ministry of Finance) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=176062>>.

³⁹⁹ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 53 [2.3.3.] available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

⁴⁰¹ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 53 [2.3.4.] available at

	Purpose: Section 83(3) There shall be levied and collected in accordance with the provisions of this Chapter, a cess to be called the Clean Energy Cess, as duty of excise, on goods specified in the Tenth Schedule, being goods produced in India, at the rates set forth in the said Schedule for the purposes of financing and promoting clean energy initiatives, funding research in the area of clean energy or for any other purpose relating thereto. ⁴⁰⁰	2010)	Act 2017 Date of discontinuation: 1st July 2017		
38	Swachh Bharat Cess Purpose: Section 119(2) There shall be levied and collected in accordance with the provisions of this Chapter, a cess to be called the Swachh Bharat Cess, as service tax on all or any of the taxable services at the rate of two per cent. on the value of such	Chapter VI (Section 119) of the Finance Act, 2015 (w.e.f. 15th November 2015)	Abolished via Taxation Law (Amendment) Act 2017 Date of discontinuation: 1st July 2017	Service Tax	2015-2017: 16,401.13 crores ⁴⁰³

<http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

⁴⁰⁰ Finance Act 2010, Section 83(3)

⁴⁰³Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 53 [2.3.2.] available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

	<i>services for the purposes of financing and promoting Swachh Bharat initiatives or for any other purpose relating thereto.⁴⁰²</i>				
39	Infrastructure Cess Purpose: <i>Section 162(1): In the case of goods specified in the Eleventh Schedule, being goods manufactured or produced, there shall be levied and collected for the purposes of the Union, a duty of excise, to be called the Infrastructure Cess, at the rates specified in the said Schedule for the purposes of financing infrastructure projects.⁴⁰⁴</i>	Section 162 of Finance Act, 2016 (w.e.f. 1st March 2016)	Abolished via Taxation Law (Amendment) Act 2017 Date of discontinuation: 1st July 2017	Excise Duty	2016-2017: 3917.65 crores ⁴⁰⁵
40	Krishi Kalyan Cess Purpose: <i>Section 161(2) There shall be levied and collected in accordance with the provisions of this Chapter, a cess to be</i>	Section 161 of Finance Act, 2016 (w.e.f. 1st June 2016)	Abolished via Taxation Law (Amendment) Act 2017 Date of discontinuation: 1st July 2017	Service Tax	2016-2017: 8379.16 crores ⁴⁰⁷

⁴⁰² Finance Act 2015, Chapter VI, Section 119.

⁴⁰⁴ Finance Act 2016, Section 162.

⁴⁰⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

⁴⁰⁷ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 55 [2.3.6.] available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

	<i>called the Krishi Kalyan Cess, as service tax on all or any of the taxable services at the rate of 0.5 per cent. on the value of such services for the purposes of financing and promoting initiatives to improve agriculture or for any other purpose relating thereto.⁴⁰⁶</i>				
41	Health and Education Cess Purpose: <i>In order to take care of the education and health care needs of Below Poverty Line and rural families, Budget 2018 brought new cess called Health and Education Cess.⁴⁰⁸</i>	Budget 2018-2019 (w.e.f. 1st April 2018)	Still continues	Income Tax	2017-2018: 26082.35 crores (estimate) ⁴⁰⁹ 2018-2019: 49461.54crores (estimate) ⁴¹⁰ Health and Education Cess is not explicitly mentioned in Tax Revenues estimate forming part of Receipts Budget 2018. Looking at the charging provision in Finance Act, 2018, Health and Education Cess appears to be the Primary

⁴⁰⁶ Finance Act 2016, Section 161.

⁴⁰⁸ Summary of Budget 2018-2019 (Press Information Bureau, Ministry of Finance) available at <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=176062>>.

⁴⁰⁹ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴¹⁰ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

					Education Cess and Secondary and Higher Education Cess on income and corporation tax.
42	<p>GST Compensation Cess Purpose: <i>An Act to provide for compensation to the States for the loss of revenue arising on account of implementation of the goods and services tax in pursuance of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016.</i>⁴¹¹</p>	<p>GST (Compensation to States) Act, 2017 (w.e.f. 12th April 2017)</p>	<p>Still continues</p>	<p>Varies. May be calculated on value, or per unit as per the specification in the Schedule⁴¹² of The Goods and Services Tax (Compensation to States) Act, 2017.</p>	<p>2017-2018: 61331.00 crores (estimate)⁴¹³ 2018-2019: 90000.00 crores (estimate)⁴¹⁴</p>

⁴¹¹ The Goods and Services Tax (Compensation to States) Act 2017, Preamble.

⁴¹² The Schedule mentions items such as aerated beverages, tobacco, coal, vehicles, etc. As can be seen from the table, tobacco and coal were earlier subject to independent cess taxes but are now being taxed under the GST Compensation Cess.

⁴¹³ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴¹⁴ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

B. CESSSES THAT ARE CURRENTLY IN FORCE⁴¹⁵

SR. NO.	NAME OF CESS	AMOUNT COLLECTED
1.	Cess on exports	2017-2018: 100 crores (estimate) ⁴¹⁶ 2018-2019: 112 crores (estimate) ⁴¹⁷
2.	Cess on Crude Oil	2016-2017: 12,618 crores ⁴¹⁸ 2017-2018: 14000.00 crores (estimate) ⁴¹⁹ 2018-2019: 14850.00 crores (estimate) ⁴²⁰
3.	National Calamity Contingent Duty on Tobacco and Tobacco Products⁴²¹	Forms a part of total duty collected i.e. for 2016-2017: 64,26,20,37 thousand ⁴²² 2017-2018: 3660 crores

⁴¹⁵ As indicated in Table A above, the tax base for most of these cesses is Excise Duty. However, the calculation of the cess in some cases such as the Handloom Cess is on the basis of the value of the underlying goods which is determined under the Central Excise Rules. Similar is the case with cess on Copra. It is unclear at this point if this reliance on Central Excise Rules continues. This is because while the Central Excise Duty has been subsumed by the Goods and Service Tax, the Central Excise Rules have not been repealed.

⁴¹⁶ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴¹⁷ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴¹⁸ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

⁴¹⁹ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴²⁰ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴²¹ There is an ambiguity with regard to the nature of levy; whether it is a cess or a surcharge because by reading Section 136, it can be considered to be a surcharge. However, NCCD on items excepts tobacco products and petroleum oil have been subsumed under GST and it has been treated as a cess. For reference <<http://pib.nic.in/newsite/PrintRelease.aspx?relid=164456>>

⁴²² 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2016-2017) available at <<http://www.cga.nic.in/writereaddata/Fin20162017Statement8.pdf>>

		(estimate) ⁴²³ 2018-2019: 2500 crores (estimate) ⁴²⁴
4	Health and Education Cess⁴²⁵	Has Replaced Primary Education cess (2016-2017: 20,220 crores ⁴²⁶) and Secondary and Higher Education Cess (2006-2017: 83,497 crores ⁴²⁷) and thus forms a part of total duty collected under them. 2017-2018: 26082.35 crores (estimate) ⁴²⁸ 2018-2019: 49461.54crores (estimate) ⁴²⁹
5	Road and Infrastructure Cess	Replaced Cess on Petrol levied as Additional Duty of Custom and Excise (2016-2017: 18827.83 crore ⁴³⁰) and Cess on High Speed Diesel Oil levied as additional duty of custom

⁴²³ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴²⁴ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴²⁵ *Health and Education Cess is not explicitly mentioned in Tax Revenues estimate forming part of Receipts Budget 2018. Looking at the charging provision in Finance Act, 2018, Health and Education Cess appears to be the Primary Education Cess and Secondary and Higher Education Cess on income and corporation tax.*

⁴²⁶ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 8 [1.2.6.] available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

⁴²⁷ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 53 [2.3.3.] available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

⁴²⁸ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴²⁹ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴³⁰ Tax Revenue Receipt Budget 2018-2019 available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

		and excise (2016-2017: 53571.70 crores ⁴³¹) 2017-2018: 4350 crores (estimate) ⁴³² 2018-2019: 113000 crores (estimate) ⁴³³
6.	GST Compensation Cess	2017-2018: 61331.00 crores (estimate) ⁴³⁴ 2018-2019: 90000.00 crores (estimate) ⁴³⁵
7	Building and Other Construction Workers Welfare Cess⁴³⁶	1996-2017: 32,632.96 crore ⁴³⁷

⁴³¹ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴³² Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴³³ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴³⁴ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴³⁵ Tax Revenue, Receipt Budget 2018-2019, available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁴³⁶ This levy has been held to be a cess fee by the Supreme Court in Builders Association v Union of India, ILR (2007) 1 Delhi 1143 [28] as the proceeds are not merged in the general pool but specifically earmarked for the benefit of construction workers. *For understanding difference between cess tax and cess fee, refer to Chapter II titled 'Understanding Tax, Fee, Cess and Surcharge' above.*

⁴³⁷ Standing Committee on Labour on Cess Funds and their Utilisation for Workers' Welfare (Ministry of Labour & Employment) (August 10, 2017) available at <http://164.100.47.193/lsscommittee/Labour/16_Labour_28.pdf>

C. PERCENTAGE OF GROSS TAX REVENUE CONTRIBUTED BY CESSSES

YEAR	GROSS TAX REVENUE⁴³⁸	CESS COLLECTED⁴³⁹	PERCENTAGE
2016-2017	1715968 crores	172168 crores	10.03%
2015-2016	1455891 crores	132397 crores	9.09%
2014-2015	1245136 crores	85384 crores	6.86%
2013-2014	1138996 crores	76685 crores	6.73%
2012-2013	1036461 crores	71345 crores	6.88%

⁴³⁸ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 6 available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

⁴³⁹ Report of the CAG on Union Government Accounts 2016-2017 (Union Government Accounts of the Union Government No. 44 of 2017) 8 available at <http://www.cag.gov.in/sites/default/files/audit_report_files/Report_No.44_of_2017_-_Financial_Audit_on_Accounts_of_the_Union_Government.pdf>

ANNEXURE II

A. LIST OF SURCHARGES SINCE 1941⁴⁴⁰

(**Please note that the financial years where the surcharges were applicable on the same assesses have been clubbed together)

YEAR	SURCHARGE	ASSESSEE	TAX BASE
1941-1946 ⁴⁴¹	Surcharge	Individual, HUF, Unregistered firms and other association of persons, company (domestic as well as foreign) and local authority. ⁴⁴²	Income Tax, Super Tax ⁴⁴³
1946-1951	No surcharge	-	-
1951-1955	1. Surcharge 2. Additional duty of excise with respect to motor spirit ⁴⁴⁴ 3. Additional duty of excise on cigarettes ⁴⁴⁵	Individual, HUF, Unregistered firms and other association of persons, company (domestic as well as foreign) and local authority. ⁴⁴⁶	Income Tax; Super Tax, Additional duty of excise
1955-1957	1. Surcharge 2. Additional duty of excise with respect to motor spirit ⁴⁴⁷	Individual, HUF, Unregistered firms and other association of persons, company (domestic as well as foreign) and local authority. ⁴⁴⁸	Income Tax; Super Tax; Additional duty of excise
1957-1958 ⁴⁴⁹	Surcharge at different rates on earned as well	Individual, HUF, Unregistered firms and other association of	Income Tax, Super Tax

⁴⁴⁰ This list of surcharges has been compiled by relying on publicly available documents and does not claim to be an exhaustive list of surcharges levied by the Union Government since 1941.

⁴⁴¹ During this period, Indian Income Tax Act, 1922 was enforced.

⁴⁴² Finance Act 1941, Section 7 read with Part I and Part II of Schedule II of Indian Finance Act, 1939.

⁴⁴³ Section 55 of Indian Income Tax Act, 1922 defines super-tax as:

55. Charge of super-tax.—*In addition to the income-tax charged for any year, there shall be charged, levied and paid for that year in respect of the total income of the previous year of any [individual, Hindu undivided family, [company, local authority, unregistered firm or other association of persons], not being a registered firm], [or the partners of the firm or members of the association individually,] an additional duty of income-tax (in this Act referred to as super-tax) at the rate or rates laid down for that year by [a Central Act]:*

⁴⁴⁴ Finance Act 1951, Section 8(a); Finance Act, 1952, Section 3; Finance Act, 1953, Section 7; Finance Act, 1954, Section 10; Finance Act, 1955, Section 27.

⁴⁴⁵ Finance Act 1951, Section 8(b); Finance Act, 1952, Section 3; Finance Act, 1953, Section 7; Finance Act, 1954, Section 10.

⁴⁴⁶ Finance Act 1951, Section 2 read with Part I and Part II of the First Schedule; Finance Act, 1952, Section 2; Finance Act, 1953, Section 2; Finance Act, 1954, Section 2; Finance Act, 1955, Section 2 read with Part I and Part II of the First Schedule.

⁴⁴⁷ Finance Act, 1955, Section 27; Finance Act, 1956, Section 37.

⁴⁴⁸ Finance Act, 1955, Section 2 read with Part I and Part II of the First Schedule; Finance Act, 1956, Section 2 read with Part I and Part II of the First Schedule

⁴⁴⁹ The Wealth tax Act, 1957 introduced w.e.f. 1-4-1957.

	as unearned income ⁴⁵⁰	persons, company (domestic as well as foreign) and local authority	
1958-1963 ⁴⁵¹	1. Surcharge 2. Special Surcharge on unearned income ⁴⁵²	Individual, HUF, Unregistered firms, other association of persons, company (domestic as well as foreign) and local authority. ⁴⁵³	Income Tax, Super Tax
1963-1964	1. Surcharge 2. Special Surcharge on unearned income ⁴⁵⁴ 3. Additional Surcharge	Individual, HUF, unregistered firm, registered firm, co-operative society, body of individuals, association of persons, local authority. ⁴⁵⁵ Though surcharge is not applicable on company. ⁴⁵⁶	Income Tax, Super Tax
1964-1972 ⁴⁵⁷	Surcharge	Individual, HUF, co-operative society, unregistered firm, registered firm, body of individuals, association of persons, local authority. Though surcharge is not applicable on company. ⁴⁵⁸	Income Tax
1972-1986	Surcharge	Individual, HUF, unregistered firm, registered firm, co-operative society, body of individuals, association of persons, local authority, company (domestic as well as foreign company). ⁴⁵⁹	Income Tax

⁴⁵⁰Speech of Shri T.T. Krishnamachari Minister Of Finance Introducing The Budget For The Year 1957-58, available at <https://www.indiabudget.gov.in/bspeech/bs195758.pdf> (last seen on 14th June 2018)

⁴⁵¹Income-tax Act, 1961 came into existence w.e.f. 1-4-1962

⁴⁵²Finance Act 1958, Section 2 read with Part I and Part II of First Schedule; Finance Act 1959, Section 2 read with Part I and Part II of First Schedule; Finance Act 1960, Section 2 read with Part I and Part II of First Schedule; Finance Act 1961, Section 2 read with Part I and Part II of First Schedule; Finance Act 1962, Section 2

⁴⁵³Finance Act 1958, Section 2 read with Part I and Part II of First Schedule; Finance Act 1959, Section 2 read with Part I and Part II of First Schedule; Finance Act 1960, Section 2 read with Part I and Part II of First Schedule; Finance Act 1961, Section 2 read with Part I and Part II of First Schedule; Finance Act 1962, Section 2

⁴⁵⁴Finance Act 1963, Section 2 read with Part I and Part II of First Schedule

⁴⁵⁵Finance Act 1963, Section 2 read with Part I and Part II of First Schedule

⁴⁵⁶Finance Act 1963, Section 2 read with Paragraph D of Part I of the First Schedule

⁴⁵⁷Concept of earned and unearned income was abolished by Finance Act 1964; "Super-tax" omitted by the Finance Act, 1965, w.e.f. 1-4-1965

⁴⁵⁸Finance Act 1964, Section 2 read with Paragraph D of Part I of the First Schedule

⁴⁵⁹ Finance Act 1972, Section 2 read with Part I and Part II of the First Schedule.

1986-1987	Surcharge	Only applicable to company (both domestic as well as foreign company) ⁴⁶⁰	Income Tax
1987-1988	Initially No surcharge. However, with effect from 16 th December 1987, a surcharge was levied. ⁴⁶¹	Individual, HUF, unregistered firm, Association of persons, Body of individuals	Income Tax
1988-1995	1. Surcharge on income tax 2. Surcharge on Wealth Tax ⁴⁶²	Individual, HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority, domestic company. ⁴⁶³ No surcharge is payable by non-resident and a company other than a domestic company.	Income Tax; Wealth Tax
1995-1998	Surcharge	Only applicable to domestic companies ⁴⁶⁴	Income Tax, Wealth Tax
1998-1999	No surcharge ⁴⁶⁵	-	-
1999-2001	Surcharge	Individual, HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority, domestic company. ⁴⁶⁶ No surcharge is payable by non-resident and a company other than a domestic	Income tax Wealth Tax

⁴⁶⁰Finance Act 1986, Section 2 read with Paragraph E of Part I of the First Schedule

⁴⁶¹Circular No. 462 [F.No. 275/67/86-IT(B)], dated 10-7-1986

⁴⁶²Finance Act, 1988, Section 66.

⁴⁶³ Finance Act 1988, Section 2 read with Part I of the First Schedule; Finance Act 1989, Section 2; Finance Act 1990, Section 2; Finance Act 1991, Section 2; Finance Act 1992, Section 2; Finance Act 1993, Section 2; Finance Act 1994, Section 2

⁴⁶⁴ Finance Act 1995, Section 2 read with Paragraph E of Part I of the First Schedule; Finance Act 1996, Section 2 read with Paragraph E of Part I of First Schedule; Finance Act 1997, Section 2 read with Paragraph E of Part I of First Schedule.

⁴⁶⁵ Finance Act 1998, Section 2 read with Part I of First Schedule.

⁴⁶⁶ Finance Act 1999, Section 2 read with Part I of First Schedule; Finance Act 2000, Section 2 read with Part I of First Schedule

		company.	
2001-2002	Surcharge	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority, domestic company. ⁴⁶⁷ No surcharge is payable by a foreign company	Income Tax, Wealth Tax
2002-2003	1. Surcharge 2. Surcharge as special addition duty of excise on motor spirit ⁴⁶⁸	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority, domestic company. ⁴⁶⁹ No surcharge is payable by a foreign company	Income Tax, Excise Duty, Wealth Tax
2003-2005	Surcharge	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁴⁷⁰	Income tax, Wealth Tax
2005-2007	1. Surcharge 2. Additional Surcharge as Education Cess on Income Tax ⁴⁷¹ 3. Surcharge on Pan and Pan Masala and Tobacco Products ⁴⁷²	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁴⁷³	Income tax, Excise Duty, Wealth Tax

⁴⁶⁷ Finance Act 2001, Section 2 read with Part I of the First Schedule.

⁴⁶⁸ Finance Act 2002, Section 147.

⁴⁶⁹ Finance Act 2002, Section 2 read with Part I of the First Schedule.

⁴⁷⁰ Finance Act 2003, Section 2 read with Part I of the First Schedule; Finance Act 2004, Section 2 read with Part I of the First Schedule.

⁴⁷¹ Finance Act 2005, Section 2(11); Finance Act 2006, Section 2(11)

⁴⁷² Budget Speech 2005-2006 given by P.Chidambaram Minister of Finance (February 28, 2005) available at <<https://www.indiabudget.gov.in/ub2005-06/bs/speecha.htm>>.

⁴⁷³ Finance Act 2005, Section 2 read with Part I of First Schedule; Finance Act 2006, Section 2 read with Part I of First Schedule.

2007-2010	1. Surcharge 2. Additional Surcharge as Education Cess on Income Tax ⁴⁷⁴ 3. Additional Surcharge as Secondary and Higher Education Cess on Income Tax ⁴⁷⁵	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, registered firm and company (domestic as well as foreign company). ⁴⁷⁶ Surcharge is not levied on income of co-operative societies as well as income of local authority.	Income tax, Wealth Tax
2010-2013	1. Surcharge 2. Additional Surcharge as Education Cess on Income Tax ⁴⁷⁷ 3. Additional Surcharge as Secondary and Higher Education Cess on Income Tax ⁴⁷⁸	Only applicable to companies (both domestic as well as foreign companies) ⁴⁷⁹	Income Tax, Wealth Tax
2013-2016	1. Surcharge 2. Additional Surcharge as Education Cess on Income Tax ⁴⁸⁰ 3. Additional Surcharge as Secondary and Higher Education Cess on Income Tax ⁴⁸¹	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁴⁸²	Income Tax, Wealth Tax ⁴⁸³

⁴⁷⁴ Finance Act 2007, Section 2(11); Finance Act 2008, Section 2(11); Finance Act 2009, Section 2(11); Finance Act 2010, Section 2(11); Finance Act 2011, Section 2(11); Finance Act 2012, Section 2(11); Finance Act 2013, Section 2(11); Finance Act 2014, Section 2(11); Finance Act 2015, Section 2(11).

⁴⁷⁵ Finance Act 2007, Section 2(12); Finance Act 2008, Section 2(12); Finance Act 2009, Section 2(12); Finance Act 2010, Section 2(12); Finance Act 2011, Section 2(12); Finance Act 2012, Section 2(12); Finance Act 2013, Section 2(12); Finance Act 2014, Section 2(12); Finance Act 2015, Section 2(12).

⁴⁷⁶ Finance Act 2007, Section 2 read with Part I of the First Schedule; Finance Act 2008, Section 2 read with Part I of the First Schedule; Finance Act 2009, Section 2 read with Part I of the First Schedule.

⁴⁷⁷ Finance Act 2010, Section 2(11); Finance Act 2011, Section 2(11); Finance Act 2012, Section 2(11)

⁴⁷⁸ Finance Act 2010, Section 2(12); Finance Act 2011, Section 2(12); Finance Act 2012, Section 2(12).

⁴⁷⁹ Finance Act 2010, Section 2 read with Part I of the First Schedule; Finance Act 2011, Section 2 read with Part I of the First Schedule; Finance Act 2012, Section 2 read with Part I of the First Schedule.

⁴⁸⁰ Finance Act 2013, Section 2(11); Finance Act 2014, Section 2(11); Finance Act 2015, Section 2(11).

⁴⁸¹ Finance Act 2013, Section 2(12); Finance Act 2014, Section 2(12); Finance Act 2015, Section 2(12).

⁴⁸² Finance Act 2013, Section 2 read with First Schedule; Finance Act 2014, Section 2 read with First Schedule; Finance Act 2015, Section 2 read with First Schedule.

⁴⁸³ Wealth-tax replaced with additional surcharge of 2 per cent in Financial Year 2015-2016, Budget Speech by Arun Jaitley, 2015-2016, paragraph 113 available at <https://www.indiabudget.gov.in/budget2015-2016/ub2015-16/bs/bs.pdf> (last seen on 14th June 2018)

2016-2017	1. Surcharge 2. Surcharge ⁴⁸⁴ as Pradhan Mantri Garib Kalyan Cess ⁴⁸⁵ 3. Surcharge ⁴⁸⁶ as Krishi Kalyan Cess ⁴⁸⁷	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁴⁸⁸	Income Tax
2017-2018	1. Surcharge 2. Additional Surcharge as Education Cess on Income Tax ⁴⁸⁹ 3. Additional Surcharge as Secondary and Higher Education Cess. ⁴⁹⁰	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁴⁹¹	Income Tax
2018-2019	1. Surcharge 2. Additional Surcharge as Education Cess on Income Tax ⁴⁹² 3. Additional Surcharge as Secondary and Higher Education Cess on Income Tax ⁴⁹³ 4. Additional Surcharge ⁴⁹⁴ as Health and Education Cess on Income Tax ⁴⁹⁵ 5. Social Welfare Surcharge ⁴⁹⁶	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁴⁹⁷	Income tax; Custom duty

⁴⁸⁴ There is an ambiguity with regard to the nature of levy; whether it is a cess or a surcharge as both nomenclatures 'cess' as well as 'surcharge' are used in Finance Act 2016.

⁴⁸⁵ Finance Act 2016, Section 199D

⁴⁸⁶ There is an ambiguity with regard to the nature of levy; whether it is a cess or a surcharge as both nomenclatures 'cess' as well as 'surcharge' are used in Finance Act 2016.

⁴⁸⁷ Finance Act, 2016, Section 184.

⁴⁸⁸ Finance Act 2016, Section 2 read with First Schedule.

⁴⁸⁹ Finance Act 2017, Section 2(11)

⁴⁹⁰ Finance Act 2017, Section 2(12)

⁴⁹¹ Finance Act 2017, Section 2 read with First Schedule.

⁴⁹² Finance Act 2018, Section 2(11)

⁴⁹³ Finance Act 2018, Section 2(12)

⁴⁹⁴ There is an ambiguity with regard to the nature of levy; whether it is a cess or a surcharge as both nomenclatures 'cess' as well as 'surcharge' are used in Finance Act 2018.

⁴⁹⁵ Finance Act 2018, Section 2(13)

⁴⁹⁶ Finance Act 2018, Section 110.

⁴⁹⁷ Finance Act 2018, Section 2 read with First Schedule.

B. SURCHARGES THAT ARE CURRENTLY IN FORCE

S.NO.	SURCHARGE	ASSESSEE	TAX BASE
1.	Surcharge	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁴⁹⁸	Income tax
2.	Additional Surcharge as Education Cess on Income Tax	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁴⁹⁹	Income tax
3.	Additional Surcharge as Secondary and Higher Education Cess on Income Tax	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁵⁰⁰	Income tax
4.	Additional Surcharge ⁵⁰¹ as Health and Education Cess on Income Tax ⁵⁰²	Individual (resident and non-resident), HUF, unregistered firm, Association of persons, Body of individuals, co-operative society, registered firm, local authority and company (domestic as well as foreign company) ⁵⁰³	Income Tax
5.	Social Welfare Surcharge	Goods imported in India	Custom Duty
6.	Special Additional Duty of Excise on Motor Spirit ⁵⁰⁴	Goods manufactured in India	Excise Duty

⁴⁹⁸Finance Act 2018, Section 2 read with First Schedule.

⁴⁹⁹ Finance Act 2018, Section 2(11)

⁵⁰⁰ Finance Act 2018, Section 2(12)

⁵⁰¹ There is an ambiguity with regard to the nature of levy; whether it is a cess or a surcharge as both nomenclatures 'cess' as well as 'surcharge' are used in Finance Act 2018.

⁵⁰² It is also included in the table providing details of Cess above in Annexure 1 because both the nomenclature 'cess' and 'surcharge' is used.

⁵⁰³ Finance Act 2018, Section 2(13)

⁵⁰⁴ Finance Act 2002, Section 147.

C. PERCENTAGE OF GROSS TAX REVENUE CONTRIBUTED BY SURCHARGES

YEAR	GROSS TAX REVENUE	SURCHARGE	PERCENTAGE
2016-2017	1715822.40 crores ⁵⁰⁵	44536.6 crores ⁵⁰⁶	2.59%
2015-2016	1455648.11 crores ⁵⁰⁷	39052.62 crores ⁵⁰⁸	2.68%
2014-2015	1244884.53 crores ⁵⁰⁹	31879.25 crores ⁵¹⁰	2.56%
2013-2014	1138733.74 crores ⁵¹¹	27963.42 crores ⁵¹²	2.45%
2012-2013	1036234.26 crores ⁵¹³	19531.15 crores ⁵¹⁴	1.88%
2010-2011	793071.72crores ⁵¹⁵	22452.38crores ⁵¹⁶	2.83%

⁵⁰⁵ Tax Revenue Receipt Budget 2018-2019 available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁵⁰⁶ Tax Revenue Receipt Budget 2018-2019 available at <<http://www.indiabudget.gov.in/ub2018-19/rec/tr.pdf>>

⁵⁰⁷ Tax Revenue Receipt Budget 2017-2018 available at <<https://www.indiabudget.gov.in/budget2017-2018/ub2017-18/rec/allrec.pdf>>

⁵⁰⁸ Tax Revenue Receipt Budget 2017-2018 available at <<https://www.indiabudget.gov.in/budget2017-2018/ub2017-18/rec/allrec.pdf>>

⁵⁰⁹ Tax Revenue Receipt Budget 2016-2017 available at <<https://www.indiabudget.gov.in/budget2016-2017/ub2016-17/rec/tr.pdf>>

⁵¹⁰ Tax Revenue Receipt Budget 2016-2017 available at <<https://www.indiabudget.gov.in/budget2016-2017/ub2016-17/rec/tr.pdf>>

⁵¹¹ Tax Revenue Receipt Budget 2015-2016 available at <<https://www.indiabudget.gov.in/budget2015-2016/ub2015-16/rec/tr.pdf>>

⁵¹² Tax Revenue Receipt Budget 2015-2016 available at <<https://www.indiabudget.gov.in/budget2015-2016/ub2015-16/rec/tr.pdf>>

⁵¹³ Tax Revenue Receipt Budget 2014-2015 available at <<https://www.indiabudget.gov.in/budget2014-2015/ub2014-15/rec/tr.pdf>>

⁵¹⁴ Tax Revenue Receipt Budget 2014-2015 available at <<https://www.indiabudget.gov.in/budget2014-2015/ub2014-15/rec/tr.pdf>>

⁵¹⁵ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <<https://www.indiabudget.gov.in/budget2012-2013/ub2012-13/rec/tr.pdf>>

⁵¹⁶ 'Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads' (Finance Accounts, Union Government, 2012-2013) available at <<https://www.indiabudget.gov.in/budget2012-2013/ub2012-13/rec/tr.pdf>>