

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:131
ANSWERED ON:02.03.2001
FLOOR RATES OF SALES TAX
JAYABEN B. THAKKAR;MANIBHAI RAMJIBHAI CHAUDHARY

Will the Minister of FINANCE be pleased to state:

- (a) whether in a meeting of State Chief Ministers held on November 16, 1999, a consensus was arrived at by all the Chief Ministers to implement floor rates of sales tax and to abolish sales tax based incentive schemes with effect from January 1, 2000;
- (b) if so, the number of States and Union Territories who have not implemented this decision; and
- (c) the steps the Government are contemplating to bring about compliance by these States/Union Territories?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) : Yes, Sir.

(b)&(c) : The Member Secretary, Empowered Committee of State Finance Ministers constituted by the Central Government to monitor the implementation of sales tax reforms, has reported that all the States/Union Territories have, by and large, implemented the uniform floor rates of sales tax. The sales tax related incentive have been discontinued by all the States/Union Territories except for Special Category States, which have been exempted by the Empowered Committee, due to their special situation.