

**GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1075
ANSWERED ON:28.07.2003
TAX STRUCTURE IN TOURISM INDUSTRY
SULTAN SALAHUDDIN OWASI

Will the Minister of TOURISM AND CULTURE be pleased to state:

- (a) whether multiplicity of taxes that prevails in the hotel industry is hampering foreign tourist flow;
- (b) if so, the details thereof;
- (c) whether this issue was discussed in the Tourism Ministers Conference in the recent past;
- (d) if so, whether the Government have constituted a committee to look into the tax structure in tourism industry in different States;
- (e) if so, whether the committee has since submitted its report to the Government;
- (f) if so, the recommendations made therein; and
- (g) the steps taken/proposed to be taken by the Government for a single window mechanism in each State?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN)

- (a) and (b) In order to give a boost to the hotel industry, the 10% Expenditure Tax levied by the Central Government on hotels has been completely withdrawn w.e.f. 1st June, 2003. An extension has also been granted to the hotel industry for exemption of Service Tax where a substantial meal is served during conferences and banquets held in hotels.
- (c) Yes, Sir.
- (d) No, Sir.
- (e) & (f) Does not arise.
- (g) The Department of Tourism, Government of India has requested the State Governments/UTs to set up a Single Window Clearance System in their respective States.