

**GOVERNMENT OF INDIA
WATER RESOURCES
LOK SABHA**

UNSTARRED QUESTION NO:5412
ANSWERED ON:02.05.2005
LEVY OF TAX IN FLOOD PRONE AREAS
Veerendra Kumar Shri M.P.

Will the Minister of WATER RESOURCES be pleased to state:

- (a) whether the Government proposes to levy at the rate of one to two percent on new infrastructure such as roads, buildings and power plants in the flood prone States for creating a revolving fund for emergent flood management schemes;
- (b) if so, the details thereof; and
- (c) the funds earmarked for flood control during the year 2005-06?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES(SHRI JAI PRAKASH NARAYAN YADAV)

(a) & (b) Task Force on flood management and erosion control which was set up by the Government of India under the Chairmanship of Chairman, Central Water Commission has recommended that a revolving fund of Rs. 50.00 crore be made available with the Ministry of Water Resources to take up urgent flood control schemes, especially at the end of the flood season and to mobilize resources for this, a "flood cess" of say 1 to 2 per cent can be levied on all new infrastructure works like roads, buildings, power plants etc. in the flood prone states.

(c) Although flood management and erosion control comes under the purview of State Government, the Central Government also provides assistance to the State Governments to take up critical anti-erosion/flood management schemes. The funds earmarked for Flood Control Sector for the Ministry of Water Resources during the year 2005-06 are Rs. 339.63 crore.