

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6313  
ANSWERED ON:06.05.2005  
VAT ON HEART SURGERY CONSUMABLES  
Chandrappan Shri C.K.;Das Gupta Shri Gurudas

**Will the Minister of FINANCE be pleased to state:**

- (a) whether heart treatment has become costlier as a result of implementation of VAT w.e.f. April 1, 2005;
- (b) if so, the details thereof;
- (c) the reasons for increase in tax on cardiac surgery consumables from zero to 12.5 percent under the new system; and
- (d) the steps taken to reduce VAT on cardiac surgery consumables?

**Answer**

Minister of State in the Ministry of Finance (Shri S.S. Palanimanickam)

(a) to (d): As VAT is a tax intended to replace the States' sales tax, it is a State subject. An Empowered Committee of State Finance Ministers has been constituted to decide all issues relating to State level VAT. In the meeting of the Empowered Committee, held on 26th April, 2005, it has been decided that medical equipments/devices and implants shall attract 4 percent rate of VAT.