

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:550
ANSWERED ON:23.02.2006
TAXES ON LPG
Munshiram Shri

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the actual price of domestic LPG;
- (b) the percentage of import duty, excise duty and sales tax etc. being charged on LPG from the consumers;
- (c) the subsidy being given on each LPG cylinder of 14.2 Kg.;
- (d) the loss likely to be born by the Government in case the tax and subsidy on LPG are discontinued;
- (e) whether the Government proposes to discontinue subsidy on LPG; and
- (f) if so, the reasons therefor and the policy being adopted by the Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

- (a) The retail price of domestic LPG at Delhi is Rs.294.75 per cylinder of 14.2 kg.
- (b) The taxes applicable on LPG (domestic) are indicated below:-

Custom duty nil
Excise duty nil
VAT(at Delhi) 12.5%

- (c) During the year 2005-06(April -December), Government provided a subsidy of Rs.22.58 per cylinder and the oil companies provided a subsidy of Rs.124.36 per cylinder.
- (d) The excise and custom duties on LPG(domestic) have already been made nil since 1st March, 2005. As such no loss would accrue to the Government due to discontinuation of these taxes.
- (e) and (f) :In order to formulate a long term pricing policy, Government had constituted an Inter-Ministerial Committee under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister to examine different aspects of pricing and taxation of petroleum products including domestic LPG. The Committee submitted its report on 17.2.2006. The report is under examination by Government.