

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:2831
ANSWERED ON:17.08.2004
TAXES ON CHEMICALS FERTILIZERS
Nahata Smt. P. Jaya Prada;Nitish Kumar Shri

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether consumers have to pay taxes levied by State Governments on the chemicals fertilizers over and above the Central taxation;
- (b) if so, the rates at which tax is being levied on chemicals fertilizers in each State of the country at present;
- (c) whether the Union Government has assessed the entire amount of taxes levied both by the Union and State Governments;
- (d) if so, the details thereof; and
- (e) the percentage of this amount against the average cost production of chemicals fertilizers during the year 2003-2004?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) At present, urea is the only fertilizer, which is under price control while the phosphatic and potassic fertilizers are decontrolled. While the Maximum Retail Price (MRP) of urea, being a controlled fertilizer, is statutorily notified by the Government, the MRPs of decontrolled phosphatic and potassic fertilizers are indicated by the Government. MRPs of Single Super Phosphate (SSP) are indicated by respective State Governments. MRP/indicative MRPs are exclusive of Central Sales Tax, States Sales Tax and other local taxes wherever levied.

(b) Details of the rates of Sales Tax and other taxes levied by the State Governments are given in the Annexure.

(c) to (e) As the Central Government does not levy Central Sales Tax on fertilizers, the amount of tax levied by the Central Government on fertilizers is nil. As regards, the amount of taxes levied by the State Governments, no such record is maintained as these taxes are paid by the consumers or the manufacturers of these fertilizers.

Annexure referred in reply to part (b) of the Lok Sabha Unstarred Question No. 2831 to be answered on 17.8.2004

Sales Tax and other local taxes on fertilizers (As on 1st October 2003)

Name of the State Name of the tax Rate

East

Assam Sales Tax 4%
Surcharge on Sales Tax 10%
Turnover Tax Nil
Toll Tax Nil

Bihar Sales Tax 6%
Surcharge on sales Tax 10%
Turnover Tax Nil
Toll Tax Nil
Any other Tax 1% multi point

Jharkhand Sales Tax 4%

Surcharge on sales Tax 10%
Turnover Tax Nil
Toll Tax Nil

Orissa Sales Tax 4%
Surcharge on sales Tax 15%
Turnover Tax Nil
Toll Tax Nil

West Bengal Sales Tax 4%
Surcharge on sales Tax 15%
Turnover Tax Nil
Toll Tax Nil

Manipur Sales Tax 4%
Surcharge on sales Tax Nil
Turnover Tax Nil
Toll Tax Nil

Meghalaya Sales Tax 4%
Surcharge on sales Tax 1%
Turnover Tax Nil
Toll Tax Nil

Nagaland Sales Tax 4%
Surcharge on sales Tax Nil
Turnover Tax Nil
Toll Tax Nil

Tripura Sales Tax 4%
Surcharge on Sales Tax,
Toll Tax, Turnover Tax etc. Nil

North

Haryana Sales Tax Nil
Toll Tax, Turnover Tax etc. Nil

Delhi Sales Tax 4%
Surcharge on Sales Tax, Nil
Toll Tax, Turnover Tax etc.

J&K Sales Tax 4% on issue price
5%
Surcharge on sales Tax Rs.401.11/tonne of fertilizer
Toll Tax material

Punjab Sales Tax Nil
Toll Tax, Turnover Tax etc. Nil

Uttar Pradesh Trade Tax (applicable on 6.5%
nitrogenous fertilizers
and nitrogen component of
NP/NPK complexes only)

Any other tax Nil

Uttranchal Trade Tax (applicable on 6.5%
nitrogenous fertilizers and
nitrogen component of NP/NPK
complexes only)

Any other tax Nil

South

Andhra Pradesh Sales Tax # 4%
Surcharge on sales Tax Nil
Turnover Tax Nil
Toll Tax Nil

Karnataka Sales Tax # 4%
Surcharge on sales Tax Nil
Turnover Tax Nil
Toll Tax Nil

Kerala Sales Tax # 4%
Surcharge on sales Tax 15%
Turnover Tax Nil
Toll Tax Nil

Tamil Nadu Sales Tax # 4%
Surcharge on sales Tax 5%
Turnover Tax : Applicable Nil
On all fertilizers as
per the following slabs
of taxable turnover
Upto Rs.10 crores Nil
>Rs.10 crore to Rs.25 crores 1.0%
>Rs.25 crore to Rs.50 crores 1.5%
>Rs.50 crores to Rs.100 crores 2.0%
>Rs.100 Crores to 300 crores 2.5%
>Rs. 300 crores 3%
Toll Tax Nil

Pondicherry Sales Tax # 1%
Surcharge on sales Tax Nil
Turnover Tax Nil
Toll Tax Nil

West

Gujarat Sales Tax 6% (only on Nitrogenous fertilizers)

Surcharge on sales Tax 10%
Turnover Tax Nil
Toll Tax Nil
Any other local tax (Octori) Varies from place to place, 1% to 2%

Madhya Pradesh Commercial Tax Nil
Toll Tax, Turnover Tax etc.

Chhattisgarh Sales Tax 4%
Surcharge on sales Tax 15%
Turnover Tax Nil
Toll Tax Nil

Maharashtra Sales Tax 4%
Surcharge on sales Tax Nil
Turnover Tax Nil
Toll Tax varies from place to place

Any other local tax (Octori) 1% to 3% varies from place to place

Rajasthan Sales Tax 4%
Surcharge on sales Tax 15%
Turnover Tax Nil
Toll Tax Nil

Goa Sales Tax 4%
Surcharge on sales Tax 10%
Turnover Tax Nil
Toll Tax Nil

= Single point Sales Tax at the point of first sale.

Notes :

1. Inter-state movement of chemicals fertilizers is liable to Central sales tax @ 4% w.e.f. 1.1.75 when covered by 'C' and 'D' forms, otherwise at 10%.

2. States where there is no sales tax have been included.

(Source: Fertilizer Statistics 2002-2003, Fertilizer Association of India)