

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:1464  
ANSWERED ON:21.07.2014  
TAX ON AVIATION TURBINE FUEL  
Kishore Shri Kaushal

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) whether the Union Government has requested the State Governments to reduce the tax on Aviation Turbine Fuel;
- (b) if so, the details thereof and the response of the State Governments thereto along with its likely impact on the airlines and the passengers; and
- (c) the revenue loss likely to be incurred by the State Governments as a result thereof?

**Answer**

Minister of State in the Ministry of CIVIL AVIATION (Shri G. M. Siddeshwara)

(a) & (b): Yes Madam. The matter of reduction in tax on Air Turbine Fuel (ATF) has been taken up with State Governments. Some of the State Governments have responded positively and reduced the rate of tax on ATF from 20-30% to 4-5%.

(c): Ministry is of the opinion that reduction of tax on ATF leads to improved air connectivity in the States. The States are expected to be benefited by way of increased economic activities leading to more employment opportunities and, thus, there will be no net loss to such states. The Ministry, however, does not maintain information of the overall implication of such measures.