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Title: The Minister of State in the Ministry of Human Resource Development laid a statement correcting the reply given on 25.11.2009 to Unstarred Question No. 928 by Shri Jai Prakash Agarwal, MP regarding Education Cess along with the reasons for delay in correcting the reply.

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRIMATI D. PURANDESWARI): Sir, with your permission, I would beg to lay on the Table of the House a statement correcting the reply given on the 25th November, 2009 to the Unstarred Question No.928 by Shri Jai Prakash Agarwal regarding Education Cess, along with the reasons or delay in correcting the reply.

"The details of Education Cess collected by the Government during last three years are given below:

Year	Primary Education Cess		Secondary & Higher Education Cess		Total Education Cess	<u>Amount (Rs. in Crores)</u>
	On Direct Taxes	On Indirect Taxes	On Direct Taxes	On Indirect Taxes		
2006-07	4395.23	5568	-		4395.23	5568
2007-08*	5977.86	6210	2978.90	1 2895	8956.76	9105
2008-09	6652.30	1 6171	3200.92	2659	9853.22	8830
2009-10 (Budget Estimates)	7400.00	1 5560	3700.00	2780	11100.00	18340

Secondary & Higher Education Cess was introduced w.e.f. 1.4.2007

Education Cess is not a part of the net proceeds of the divisible pool of sharable taxes based on constitutional provisions and as per the recommendations of the Twelfth Finance Commission. The proceeds of 2% Education Cess for primary education credited into a non-lapsable fund called Prarambhik Shiksha Kosh (PSK) are utilized exclusively for Sarva Shiksha Abhiyan (SSA) and Mid-Day Meal (MDM) Scheme. Expenditure on SSA and MDM Scheme is incurred from PSK after the funds provided by way of Gross Budgetary Support (GBS) are fully utilized. No specified allocation is made separately to States/UTs against the amount collected through Education Cess. Assistance under PSK is released to States/UTs as per the schematic pattern and budgetary allocation for SSA and MDM Scheme. Regarding 1% additional cess for Secondary & Higher Education, only Gross Budgetary Support is provided to Department of Higher Education (HE) to meet its budgetary requirement & no separate allocation is made from the funds generated from this 1% additional cess."

The Correcting Statement has been necessitated due to inadvertent error in the answer of Unstarred Question No. 928 dated 25th November, 2009.

Reasons for Delay. The correcting reply could not be carried out during the previous session due to late receipt of complete reply from the concerned departments.

The error is regretted.

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