

# Centre abolishes 13 cesses along with GST rollout

26 such levies repealed since 2015

**SURABHI**

New Delhi, July 3

Starting July 1, as many as 13 cesses have ceased to exist with the rollout of the Goods and Services Tax (GST).

The cesses that have been abolished from July 1 by the Taxation Laws (Amendment) Act include the Krishi Kalyan Cess and Swachh Bharat Cess that were levied along with service tax, as well as education cess on excisable goods and also little known cesses such as those on tea, sugar and jute.

However, according to officials, seven cesses will continue as they relate to customs or goods that are not included in the GST. These include education cess secondary and higher education cess on imported goods.

Similarly, cesses on petroleum products will also continue as

these are outside GST. These include the cess on crude petroleum oil under the Oil Industry Development Act, 1974, the road cess or additional duty of excise on motor spirits and high speed diesel oil, special additional duty of excise on motor spirit and the NCCD on tobacco and tobacco products and crude petroleum oil.

As many as 26 cesses levied by the Centre along with excise duty and service tax have been abolished since 2015 to pave way for this indirect tax levy.

GST, which now is a single tax, has subsumed central excise duty and service tax, as well as State value added tax, local levies such as octroi and also cesses. For consumers, this means that their bills from purchases have a single tax rate inclusive of all levies and cesses.

The Clean Energy Cess, which was levied on coal, was also abolished starting this month.

Under GST, a clean energy cess is levied on coal, lignite and peat

As many as 26 cesses levied by the Centre along with excise duty and service tax have been abolished since 2015 to pave way for GST.

production at the rate of ₹400 per tonne, which will be used to fund the compensation to States for revenue losses.

The Finance Ministry has also removed the additional excise duty on tobacco, pan masala and cigarettes from this month.

Additionally, the Research and Development Cess was also abolished from April 1 this year following the Union Budget and Finance Act 2017-18.

Education, secondary and higher education cesses on taxable services were repealed in 2015.

The Finance Ministry has also abolished other cesses such as that on salt and another for cine workers last year by amending acts relating to these.