

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

RESOLUTION

No.FIN-CT1 TAX-0044-2015 - 236 Dt. 04.01.2016

Due to gradual fall in price of crude oil in International market and deregulation of prices of petrol and diesel, there is declining trend of retail price of petrol and diesel. Since the State levies VAT at certain percentage of the sale price of petrol and diesel, the decrease in prices of petrol and diesel resulted in declining tax collection from these commodities. The prices of petrol and diesel are even changing fortnightly due to which the State is losing substantial revenue. In order to recoup the loss of revenue, it was considered expedient to take a policy decision to increase VAT rate on petrol and diesel as and when the prices of petrol and diesel decrease.

2. Increase or decrease in rate of tax being a policy matter of Government, the proposal is required to be placed before the Cabinet for consideration as per Entry Serial No. 6 of Second Schedule and u/r 8(1) to Odisha Government Rules of Business. As it is not feasible to obtain approval of the Cabinet to increase VAT rate as and when the prices of petrol and diesel decreases to recoup the loss of revenue to the State, the Cabinet in their meeting on 31.12.2015 authorised Government in Finance Department to enhance the VAT rate on petrol and diesel with approval of Hon'ble Chief Minister as and when necessary. The said tax rationalization shall be placed in the next meeting of the Cabinet u/r 8(2) of Odisha Government Rules of Business for post-facto approval.

3. This Resolution shall come into force at once.

ORDER: Ordered that the Resolution be published in an extraordinary issue of the Odisha Gazette.

BY order of the Governor


Additional Chief Secretary to Government

Memo No. 237 Dt. 04.01.2016

Copy forwarded to the Director, printing, Stationery and Publications, Odisha, Cuttack with the request to publish the resolution in an extraordinary issue of the Odisha Gazette and supply 100 copies of the Resolution to this Department early.


Undersecretary to Government