Kejriwal govt imposes tax on cable TV, DTH, entry fee on diesel trucks

Cuts VAT on cutlery, woods and timber; movie tickets to be costlier

Furniture and cutlery are set to turn cheaper in this city but movie tickets, cable and direct- to-home (DTH) television would get costlier.

The Arvind Kejriwal government has cut value added tax (VAT) rates on wood, timber and cutlery but imposed entertainment tax on cable TV and DTH services and raised it on cinema halls.

Food items, including Vegetables and fruit, might also see upward revision in rates, as the city government has imposed an entry fee on dieseldriven tempos and trucks, for the time being, in its first ever annual Budget, for 2015- 16. Virtually every item entering Delhi from other states will become costlier.Private vehicles registered with companies would also turn dearer, as the government raised registration tax on these. Battery- operated fourwheelers and two- wheelers might get cheaper, as their owners are to get subsidies in the range of Rs.1,000 to Rs.1.5 lakh.

The Budget, presented by Finance Minister Manish Sisodia (whos also Deputy Chief Minister), cut VAT on wood and timber to five per cent from the earlier 12.5 per cent, explaining it as a rationalisation of rates on like items. He imposed various amounts of entry fee on diesel- driven tempos to trucks, depending on size. This might make all items transported by these vehicles more expensive, including wood and timber. The government said this was one way of checking pollution from these vehicles, saying it was an " interim" measure.

Tempos would pay ? 100 per entry, four- wheel trucks Rs.500, six- wheel trucks Rs. 750, a 10- wheeler Rs.1,000 and a 14- wheel truck Rs.1,500 at each entry into Delhi.

The Aam Admi Party government also imposed Rs.40 as entertainment tax on cable TV and DTH services. The entertainment tax on cinema halls was doubled from 20 per cent to 40 per cent. And, betting tax was doubled from 10 per cent to 20 per cent.

The government raised registration tax by 25 per cent of the existing one for categories of private vehicles registered in the name of companies and partnership firms. Owners of new battery-operated four- wheelers and two- wheelers will be given a subsidy, apart from what the Union government gives. Such two- wheelers would get a subsidy of ? 1,000 to ? 5,500; fourwheelers costing up to ? 5 lakh would get ? 30,000 and those costlier will receive ? 1.5 lakh.

Besides, an e- rickshaw owner would be given a subsidy of ? 15,000, though none for further purchases of an e- rickshaw by an individual.

The governments efforts would increase the states tax receipts by 9.8 per cent to ? 34,661 crore this financial year, against ? 31,571 crore in the Budget Estimate (BE) of 2014- 15 and by 25.3 per cent compared to ? 27,670 crore in the Revised Estimate (RE) for 2014- 15. Part of this would be due to a rise in rate of economic growth for 2015- 16.

Non- tax revenue would be down 19 per cent in 2015- 16, compared to the BE of 2014- 15, and 12.7 per cent compared to the RE of that year. Expenditure was projected to rise 11.9 per cent to Rs.41,229 crore in 201516, compared to a BE of Rs.36,766 crore and 18.2 per cent against the Rs.34,790 crore in RE of the previous financial year.

The previous year, when Delhi was under the Lt Governors rule, a fiscal surplus of Rs.2,015 crore was projected but this ended in a fiscal deficit of Rs.354 crore. This year, the deficit would increase a bit to Rs.417 crore.

OTHER PROPOSALS

- To raise penalty on defaulters and evaders of stamp duty from five times to ten times of the deficit amount of duty
- To increase allocation by 32% to Rs.1,793 cr for housing and urban development
- Announces Slum Redevelopment Policy
- To Phase out Delhi Medium Liquor, a brand launched by the Sheila Dikshit govt in 2012 to replace cheap country- made liquor
- To Increases circle rate on agri land by up to 125%, which is taken as benchmark for land acquisition
- Announces linking of seven services of five government departments to Centres e- biz portal

(Business Standard)