Honourable Speaker Sir,

The overall surplus as per Budget Estimates for the year 2015-16 is ₹ 124.95 crores.

I now present tax proposals for the year 2015-16.

Value Added Tax

Imitation Jewellery

The imitation jewellery industry has developed as cottage industry in the State. The usage of machinery and electricity is very less in this industry. Large number of household members including women of the needy families are getting employment in this industry. It is difficult for this industry to sustain in the competition because of the lower rate of tax in the neighbouring State. In order **to maintain the employment as well as to sustain this industry**, I propose **to reduce the rate of tax** on imitation jewellery **from current rate of tax 5% including additional tax to 1% only**. As a result of this proposal, the **tax revenue** of the State **will be reduced approximately to the extent of ₹ 5.00 crores.**

Oral Contraceptive Pills

Oral contraceptive pills are presently taxable. These pills are used for the purpose of family planning. I therefore propose to **fully exempt** the oral contraceptive pills **from the current rate of tax 5% including additional tax**. As a result of this proposal, the **tax revenue** of the State **will be reduced approximately to the extent of ₹ 1.00 crore.**

Aviation Turbine Fuel

The cities of Ahmedabad and Vadodara have good air connectivity with other big cities of the country. Both these cities have good availability of scheduled commercial airline flights. In order that the other cities of the State having airports also get good air connectivity I propose to **reduce the rate of tax on Aviation Turbine Fuel from current rate of tax 30%(for Duty Paid A.T.F.) and 38%(for Bonded A.T.F.) to 5% when sold from the cities other than Ahmedabad and Vadodara for scheduled commercial airlines service flights**. As a result of this proposal, the **tax revenue** of the State **will be reduced approximately to the extent of ₹ 6.00 crores.**

Isabgul and isabgul husk

The isabgul processing industry has developed to great extent in the State. Isabgul is also exported in large scale. Presently, isabgul and isabgul husk produced after processing are taxable. Whereas new units have come up in the neighbouring State due to full tax exemption. Therefore, in order to **retain/sustain the foreign exchange and the agro processing activities involved in this industry** and also to encourage the farmers to grow more crops of isabgul, I propose to **fully exempt** isabgul and isabgul husk **from the current rate of tax 5% including additional tax**. As a result of this proposal, the **tax revenue** of the State **will be reduced approximately to the extent of ₹ 7.00 crores.**

Cotton roving purchased by Khadi Gramodhyog Board approved institutes

Cotton roving used in manufacture of khadi cloth is taxable. While khadi cloth, khadi garments and made ups are fully exempt. Therefore, tax credit on the purchase of cotton roving is not available and to that extent the tax burden comes on the khadi cloth, garments and made ups made from khadi. In order **to encourage usage of khadi** and **to avoid the tax burden** on purchase of cotton roving, I propose to give **refund of the tax paid on current rate of tax 5% including additional tax** on the cotton roving **purchased for manufacture** of above products by the Khadi Gramohyog Board approved institutes. As a result of this proposal, the **tax revenue** of the State **will be reduced approximately to the tune of ₹ 1.00 crore.**

Technical Textile

All types of fabrics are fully exempt in the State which includes fabrics used for garments and domestic purpose and technical textile also. Technical textile is used in industries like building construction, civil engineering, furniture, household textiles, floor coverings, automobiles, shipping, railways, packaging. The raw materials normally used in the manufacture of technical textile are artificial materials like plastic, nylon, resins, rubber, metal etc. Moreover, there is significant value addition in this product. It is necessary to bring this industry in the tax net. Therefore, I propose to **impose tax at the rate 5%**

including additional tax on technical textile. As a result of this proposal, the **tax revenue** of the State is estimated to **be increased approximately to the extent of ₹ 80 crores.**

Conclusion

The final position of Budget Estimates for the year 2015-16 will be as under:

(₹ In crores)

(1)	Surplus as per Budget Estimates		(+) 124.95
(2)	Proposed increase in taxes	(+) 80.00	
(3)	Proposed relief in taxes	(-) 20.00	
(4)	Estimated overall surplus		(+) 184.95

I commend the Budget for the consideration of this august House.
