

OFFICE OF THE LEADER OF OPPOSITION

Gujarat Vidhansabha, Gandhinagar.

Press Note

Dt. 07-02-2010

- **Maharashtra Chief Minister has declared more reduction in VAT to help people of Maharashtra.**
- **Gujarat Chief Minister should remove 25 percent surcharge on VAT and like Maharashtra Chief Minister he should also reduce VAT.**
- **If Gujarat government reduces VAT on petrol, petrol will be cheaper by Rs 12 per liter.**
- **If Gujarat government reduces VAT on diesel, its price will go down by Rs 10 a liter.**
- **All essential items in the localities of poor of Gujarat are much costlier than in the posh areas of Mumbai.**
- **In Maharashtra there is no VAT on essential items like chilly, coriander and cumin, while there is four percent VAT and additional surcharge of 25 per cent on these items in Gujarat.**
- **BJP had launched “Navnirman” agitation against state government on the issue of price rise. On what ground it is campaigning against the centre on price rise now.**

Maharashtra Chief Minister has announced relief in VAT after a meeting the Prime Minister had with Chief Ministers over the burning issue of price rise. However, Gujarat Chief Minister has made only political statement only. Maharashtra has minimum Value Added Tax. Still, Congress government in Maharashtra has announced relief in VAT to help people.

Gujarat, on the other hand, has the highest rate of VAT. In addition to this, there is 25 percent surcharge on VAT for the last two years. As a result people of Gujarat are crushed under the tax burden and consequent high prices of all essential items.

In Maharashtra there is no VAT on essential items like chilly, coriander and cumin, while in Gujarat there is four percent VAT and for the last two years there is additional surcharge of 25 per cent on these items.

Juhu is posh area of Mumbai. Here are prices of some essential items in Laxmichand Dhanaji and Company in Juhu Church road Shah Jayanti gotar and

company Juhu. Branded tea Rs 220 a kilo, sugar Rs 40 a kilo, black gram Rs 84 a kilo, Rs 88 a kilo green gram, gram Rs 40 a kilo and rice ranging from Rs 18 to Rs 65 depending on the quality.

On the other hand in the areas like Naranpura and Ghatlodia of Ahmedabad, prices are like this. Branded Tea Vaagh Bakri Rs 235 a kilo, sugar Rs 45 a kilo, black gram Rs 92 a kilo, Rs 95 a kilo green gram and rice ranging from Rs 22 to Rs 80 depending on the quality.

Thus the prices of all essential items in the localities of poor in Gujarat are more than those in the posh locality of Mumbai. This is because of the rampant loot by Gujarat government in the name of VAT. Maharashtra government gives special incentives to farmers. In Maharashtra there is negligible tax on diesel and oil to farmers and so the cost of production of agriculture produce is less in Maharashtra and so such products are not costly.

In Maharashtra, there is no VAT on essential items like chilly, coriander, turmeric cumin and oil, while there is four percent VAT and additional surcharge of 25 per cent on these items in Gujarat.

Gujarat has 23 percent VAT on Petrol, if Gujarat government reduces VAT on petrol, petrol will be cheaper by Rs 12 per liter. If Gujarat government reduces VAT on diesel, its price will go down by Rs 10 a liter. VAT on diesel is 21 percent. Gujarat takes 17 per cent tax on oil.

Gujarat has maximum tax in the country. If Gujarat reduces tax like Maharashtra, there will be great relief to people of Gujarat. There was Navnirman agitation in Gujarat in the past on the issue of price rise. It led to change in the government. On what ground it is campaigning against the centre on price rise now. Today people are suffering because of price rise. State government should accept its responsibility.

Maharashtra government has given relief of Rs 20,000 in the interest to the farmers who are repaying loans regularly. But Gujarat government is not paying even a paise to farmers. Gujarat government is charging very high rates for irrigation water. This is despite the fact that agriculture produce are becoming costly.

To
The Editor.

Hon'ble Leader of the Opposition has requested to publish the above Press Note in your esteemed Newspaper.

(J.J. Rasanía)

Personal Assistant