

## Jharkhand reduces sales tax on diesel, subsidises cooking gas

The Jharkhand government Saturday reduced sales tax on diesel by 3.5 percent and announced a Rs.40 subsidy per cooking gas (LPG) cylinder.

The decision follows a meeting Chief Minister Madhu Koda had with deputy chief ministers Sudhir Mahto and Stephen Marandi Friday night.

Diesel will now be available at Rs.35.66 a litre instead of Rs.36.76, while one LPG cylinder will cost Rs.316.75, as against Rs.356.75 following the central government price hikes announced Wednesday.

The chief minister said the government faced an additional burden of Rs.250-300 million annually on account of the LPG subsidy, apart from losing around Rs.1.8 billion a year by reducing sales tax on diesel.

'We had already reduced sales tax on diesel by 2 percent in April, and now we have reduced it by another 3.5 percent,' Koda said. 'This way we have reduced sales tax on diesel by 5.5 percent.'

Sales tax on petrol remains unchanged.

People in the state have welcomed the move even while criticising the centre. 'Why is the central government not reducing taxes on imported crude,' asked businessman Suresh Malhotra.

The Left parties and the National Democratic Alliance - led by the Bharatiya Janata Party - have called a strike in Jharkhand June 10-11 June to protest the central government's hike in fuel prices.

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