CENTRAL LEVY:

1. **Tea Cess** - (a) 30 paise/kg on tea produced except in Darjeeling Plantation Dist.
   (b) 12 paise/kg on tea produced in Darjeeling Plantation district.

2. **Excise Duty** - (a) Re. 1 per kg on teas falling under heading 09.02
   (w.e.f. 01.03.2002)
   (b) 16% ad valorem on Instant Tea falling under heading 2101.20

3. **Export Duty** - **NIL**

Import Duty:

'Tea' was a restricted item of Imports under ITC (HS) classification till 30.03.2001. Tea import required a valid license under Exim Policy. With effect from 01.08.1998, tea has been allowed to be imported from SAARC countries viz. Sri Lanka, Nepal and Bangladesh in accordance with the SAARC Agreement along with the 2000 (Two Thousand) items including tea. With effect from 01.04.2001, tea can be imported from anywhere without any license due to removal of Quantitative Restrictions (QRs).

However, the import of tea is continued to be allowed by Export Oriented Units (EOU) & Export Processing Zone (EPZ) units for the purpose of re-export. Import of tea is also continued to be allowed under Duty Exemption Scheme of Exim Policy for its re-exports.
As already mentioned QRs has been removed on import of tea w.e.f. 1\textsuperscript{st} April 2001. Simultaneously, Government of India has enhanced the import duty on tea from 35\% to 70\% effective from 28.02.2001.

Tea imported from Sri Lanka under Free Trade Agreement (FTA) attracts an import duty of 7.5\% which is limited up to 15 M.Kgs. every year.

4. Import Duty - (a) 100\% ad valorem on teas falling under heading 09.02  
(b) 35\% on Instant Tea falling under heading 2101.20  
(c) 7.5 \% on teas imported for re-export under Duty Exemption Scheme and / or by EOU/ EPZ/ SEZ units.

5. Corporate Tax - 3.5\% plus 5\% surcharge.

6. Central Sales Tax – Before the harmonization of Sales tax rates on tea, it was 4\% in West Bengal and 8\% in Assam, Tamil Nadu and Kerala. Now under the harmonization scheme, tea has been placed under the category “General Goods” with an uniform ST rate of 8\%. Though tea continues to be an essential good under the Essential Commodities Act, yet this has been brought under the “General Goods” category. It should be brought under the “Essential Goods” category with Sales Tax rate of 4\%.

STATE LEVY:

(A) ASSAM:

1. Assam Sales Tax  
(a) 2\% on all teas sold through Guwahati Auction. Orthodox teas are exempted.  
(b) 8\% on private sales within Assam on purchase outside auction.

2. Assam Taxation on specified Land (Amendment) Act, 1994  
(a) 20 paise per kg on green leaf produced by Producers having tea area of 40 hectares.
(b) 32 paise per kg on green leaf produced by producers having tea area above 40 hectares in Upper Assam.

(c) 29 paise per kg on green leaf produced by producers having tea area above 40 hectares in Cachar / Barak valley.

(d) Producers having tea area upto 4 hectares exempted.

3. Agricultural Income Tax

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto Rs. 1 Lakh</td>
<td>40%</td>
</tr>
<tr>
<td>Above Rs. 1 Lakh</td>
<td>45%</td>
</tr>
</tbody>
</table>

(B) WEST BENGAL

1. Sales Tax (w.e.f. 01.01.2000)

a). Tea sold in Kolkata or Siliguri Auction

(i). Tea sold to registered dealer for exports : NIL
(ii). Tea sold to registered dealer for re-sale in original form : 1%
(iii). Tea sold to an unregistered dealer : 8%

b). Tea sold other than in Kolkata or Siliguri Auction

(i). Tea sold to registered dealer for exports : NIL
(ii). Tea sold to registered dealer for re-sale in original form : 1%
   (Form 13 required)
(iii). Tea sold to an unregistered dealer : 8%

2. Inter-State Sale

(i). Tea purchased in Kolkata or Siliguri auctions in course of inter-state trade : 2%
   CST
(ii). Tea sold ex-garden in the course of inter-state trade : 4%
   CST
3. **Purchase Tax**
   
   Tea purchased for blending / packing but disposed of otherwise than by way of sale in West Bengal: 1%

4. **West Bengal Rural Employment and produce Cess.** 12 paise/kg of green leaf produced (w.e.f. 01.04.1981) for estates producing over 2.5 lakh kg of green leaf.

5. **West Bengal Primary Education Cess.** 4 paise/kg of green leaf produced (w.e.f. 01.04.1981) for estates producing over 2.5 lakh kg of green leaf.

6. **Agriculture Income Tax** -- 45%