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Himachal Pradesh Levies 60 Paise/Litre "Widow and Orphan Cess" on Fuel

13 August 2026

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Himachal Pradesh Levies 60 Paise/Litre "Widow and Orphan Cess" on Fuel

13 August 2026 · 2 min read ·

✓ Every fact web-verified against primary sources

*The Himachal Pradesh government fixed a **60 paise per litre** “Widow and Orphan Cess” on petrol and diesel, effective **August 11, 2026**, collected at the first point of sale, to fund welfare for widows and orphaned children.*

Background

The cess draws its authority from the **Himachal Pradesh VAT (Amendment) Bill, 2026**, passed during the state’s Budget Session, which set a ceiling of Rs 5 per litre for such a levy, well above the 60 paise rate actually notified. Under India’s constitutional taxation architecture, a cess is legally distinct from a tax: it is earmarked for a specific purpose and, unlike most taxes, is not shared with states through the divisible pool mechanism under Article 270, remaining entirely with the levying government to fund its stated purpose.

The Controversy

Opposition Leader **Jai Ram Thakur** criticised the move as, in substance, a general revenue-raising measure conducted “in the name of” a vulnerable beneficiary group, questioning whether the earmarking is genuine or primarily a political framing device to make a new levy more palatable to the public.

UPSC Relevance

This is a compact, testable illustration of the cess-versus-tax distinction central to India’s **fiscal federalism** (Article 270 and the divisible pool), and it raises a genuine GS4 ethics question: using a sympathetic beneficiary group’s name to justify new revenue measures tests the line between legitimate targeted welfare financing and using vulnerable-group nomenclature as a political shield against scrutiny of ordinary tax policy.

 FACTS CORNER, KNOWLEDGE PEDIA**HIMACHAL PRADESH WIDOW AND ORPHAN CESS:**

Cess rate: 60 paise/litre (statutory ceiling permitted: Rs 5/litre)

Enabling law: Himachal Pradesh VAT (Amendment) Bill, 2026

Effective date: August 11, 2026

Collection point: first point of sale

Cess vs tax: a cess is earmarked and, unlike shared taxes, is not part of the Article 270 divisible pool

OTHER RELEVANT FACTS:

Criticised by Opposition Leader Jai Ram Thakur as a revenue-generation measure using welfare framing

Sources: Government of Himachal Pradesh, PIB

Source: Himachal Pradesh Levies 60 Paise/Litre "Widow and Orphan Cess" on Fuel — Ujiyari.com | Free UPSC & State PCS Current Affairs

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