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19 August 2026 ·

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President Assents to MMDR Amendment Act, 2026, Sparking Federal Balance Debate

19 August 2026 · 2 min read ·

✓ Every fact web-verified against primary sources

*President **Droupadi Murmu** gave assent to the **Mines and Minerals (Development and Regulation) Amendment Act, 2026** on **August 18, 2026**, inserting **Section 9D**, which bars states from imposing fresh taxes, cess or levies on mineral rights or mineral-bearing land except within Centre-prescribed conditions.*

What Happened

The Bill passed the **Lok Sabha on August 12** and the **Rajya Sabha on August 13, 2026**, before receiving presidential assent on August 18. It is widely read as a legislative response to the Supreme Court's **July 2024 ruling in *Mineral Area Development Authority v. Steel Authority of India*** (nine-judge bench, 8:1), which had upheld states' power to tax mineral rights under **Entry 50, List II** of the Seventh Schedule. Jharkhand CM **Hemant Soren** and former Odisha CM **Naveen Patnaik** have objected, and opposition parties have signalled a Supreme Court challenge.

Why This Matters

States earned **Rs 1,14,549 crore** in mineral revenue in FY2025-26, making this a substantial fiscal-federalism dispute. The episode illustrates Parliament using its legislative power to narrow the practical effect of a Supreme Court interpretation of a taxing entry, without directly overturning the judgment itself, a dynamic with significant implications for centre-state fiscal relations.

UPSC Relevance

This is a high-value GS2 topic on centre-state **fiscal federalism**, testing the distinction between Entry 50 (List II, states' power to tax mineral rights) and Entry 54 (List I, Union's regulation of mines and minerals). A useful Mains angle examines whether Parliament's power to legislate around a Supreme Court taxing-entry interpretation represents a legitimate exercise of legislative authority or an erosion of cooperative federalism.

 FACTS CORNER, KNOWLEDGE PEDIA**MMDR AMENDMENT ACT, 2026:**

Passed: Lok Sabha August 12, Rajya Sabha August 13; assent August 18, 2026

Key provision: new Section 9D, restricts state taxation of mineral rights/mineral-bearing land

Responds to: SC ruling, MADA v. SAIL (July 2024), 9-judge bench, 8:1, upheld state taxing power under Entry 50, List II

States' mineral revenue, FY2025-26: Rs 1,14,549 crore

656 District Mineral Foundations operational nationally

OTHER RELEVANT FACTS:

India: world's 2nd-largest coal producer (over 1 billion tonnes), 4th in iron ore (313 MT)

Sources: PIB, The Tribune, ANI

Source: President Assents to MMDR Amendment Act, 2026, Sparking Federal Balance Debate — Ujjayari.com | Free UPSC & State PCS Current Affairs

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