BILL NO. 154 OF 2026

A Bill further to amend the Mines and Minerals (*Development and Regulation*) *Act,* 1957.

BE it enacted by Parliament in the Seventy-seventh Year of the Republic of India as follows:—

1. (*1*) This Act may be called the Mines and Minerals (Development and Regulation) Amendment Act, 2026. Short title and commencement.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint

Amendment of section 2.

2. In the Mines and Minerals (Development and Regulation) Act, 1957 (hereinafter referred to as the principal Act), in section 2, after the words "regulation of mines", the words "and mineral bearing lands" shall be inserted. 67 of 1957.

Amendment of section 3.

3. In section 3 of the principal Act, after clause (*ad*), the following clause shall be inserted, namely:—

'(*ada*) "mineral bearing land" means any land having the mineral contents in accordance with the parameters prescribed under clause (*a*) of sub-section (*2*) of section 5;'.

Insertion of new section 9D.

4. After section 9C of the principal Act, the following section shall be inserted, namely:—

Certain conditions or restrictions on imposition of tax, cess, etc.

"9D. (*1*) No tax, cess or such other levy (by whatever name called) shall be imposed by the State Government on—

(*a*) mineral rights; or

(*b*) mineral bearing lands, either based on mineral quantity or mineral value or royalty payable or otherwise,

except in accordance with such conditions or restrictions as may be prescribed by the Central Government.

(*2*) Notwithstanding anything contained in any other law for the time being in force, or in any judgment, decree or order of any court, the imposition of any such tax, cess or other levy by the State Government on—

(*a*) mineral rights; or

(*b*) mineral bearing lands either based on mineral quantity or mineral value or royalty payable or otherwise,

which is not deposited with the State Government or recovered by it before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2026, shall be deemed to be invalid at all material times:

Provided that any such tax, cess or other levy on mineral rights or on mineral bearing lands, already deposited with the State Government or recovered by it before such commencement, shall not be liable to be refunded.".

Amendment of section 13.

5. In section 13 of the principal Act, in sub-section (*2*), after clause (*t*), the following clause shall be inserted, namely:—

"(*ta*) the conditions or restrictions on imposition of tax, cess or such other levy under sub-section (*1*) of section 9D;".

STATEMENT OF OBJECTS AND REASONS

Minerals constitute an important natural resource which are of great geopolitical importance and are critical to infrastructure (including digital infrastructure), manufacturing, energy security, and the overall economic development of the country. Sustainable and uniform development of minerals across the country is an important pillar to subserve the public interest. Hence, in view of the larger public interest, the Union has taken under its control the regulation of mines and the development of minerals under section 2 of the Mines and Minerals (Development and Regulation) Act, 1957 (the MMDR Act).

2. Mineral resources are finite and concentrated in a few States, and their extraction and management have to be guided by long-term national goals of sustainable, equitable and uniform development integrated into the overall strategy of the country's economic development. Any regional disparity in fiscal impositions on minerals impacts public interest. Unbalanced imposition of steep taxes and levies will prompt the industry to completely bypass local supply lines, leading to sub-optimal development of markets, increased transportation costs and the resultant pollution load. There is also a risk of an increase in imports of minerals despite having sufficient local mineral resources as domestic mineral supply becomes expensive. The uneven imposition of taxes or other levies on mineral rights and mineral bearing lands by the State Governments in the absence of reasonable limitations have resulted in various issues, such as—

(*i*) heavy tax burden in the sector;

(*ii*) unpredictable introduction of tax, cess and other levies, even after commencement of mining operations;

(*iii*) multiple taxes, cess and other levies on production or dispatch of minerals;

(*iv*) non-uniformity of rates of tax and other levies among States;

(*v*) imposition of tax, cess or levies with retrospective effect.

3. Excessive fiscal burden makes mining operations commercially unviable, discourages mineral extraction, adversely affects mineral production and in some cases, leads to closure of mines. Any additional and unpredictable costs disproportionately may lead to adverse impact on small and medium-scale mining operators. Multiple and inconsistent taxes hamper development of the mineral industry and slow down economic growth resulting in cascading tax effect and high compliance costs. An excessive tax burden at the extraction stage or otherwise may ultimately increase the cost of goods and services and, consequently, the cost of living for the common citizen in the country. Further, any retrospective imposition of taxes would cause legal uncertainty and erode investors' trust.

4. Any fiscal burden imposed on mineral extraction should be guided by a uniform and balanced fiscal framework across the country. The cumulative incidence of different levies should not become disproportionate to the economic value and profitability of the mining operations. There is also a need to ensure certainty, stability and predictability of the fiscal regime applicable to mining. The State has the power, coupled with the duty as a trustee of natural resources of the nation, to advance the national interest, *inter alia*, by ensuring harmonised mineral development (and consequent economic development) across the nation, rather than creating localised pockets of mineral resource driven growth.

5. The Mines and Minerals (Development and Regulation) Amendment Bill, 2026, *inter alia*, provides for the following, namely:—

(*i*) the Union will take under its control the regulation of mineral bearing lands having the mineral contents in accordance with the parameters prescribed by the Central Government under the MMDR Act. This is in addition to the existing provision which declares the Union's control over the regulation of mines and the development of minerals;

(*ii*) insertion of a new section 9D in the MMDR Act which provides that no tax, cess or such other levy (by whatever name called) shall be imposed by the State Government on mineral rights; or mineral bearing lands, either based on mineral quantity, mineral value, royalty or otherwise, except in accordance with such conditions or restrictions as may be prescribed by the Central Government. It further seeks to provide that any such tax, cess or other levy which is not deposited with the State Government or recovered by it before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2026, shall be deemed to be invalid at all material times. However, any such tax, cess or other levy on mineral rights or on mineral bearing lands, already deposited with the State Government or recovered by it before such commencement, shall not be liable to be refunded.

6. The above amendments strive to provide certainty, stability and predictability in the fiscal regime in the mineral sector, thereby giving impetus to national economic growth which would facilitate the aims of Atmanirbhar Bharat and ultimately attaining the vision of Viksit Bharat 2047.

7. The Bill seeks to achieve the above objectives.

NEW DELHI; G. KISHAN REDDY.

The 7th August, 2026.

FINANCIAL MEMORANDUM

The Mines and Minerals (Development and Regulation) Amendment Bill, 2026, if enacted, would not involve any expenditure, either recurring or non-recurring nature, from the Consolidated Fund of India.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 5 of the Bill seeks to amend section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 so as to empower the Central Government to make rules for prescribing the conditions or restrictions subject to which the State Government may impose tax, cess or such other levy on mineral rights or on mineral bearing lands.

2. The matters in respect of which the rules may be made under the aforesaid provision are matters of detail and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

LOK SABHA

CORRIGENDUM
to
The Mines and Minerals (Development and Regulation) Amendment Bill, 2026
[To be/As introduced in Lok Sabha]

S. No.	Page No.	Line No.	For	Read
1.	2	20	“imposition of any such tax,”	“imposition of such tax,”

NEW DELHI;

August 08, 2026
Sravana 17, 1948 (Saka)