

Need to provide enhanced devolution of taxes to Tamil Nadu-laid

SHRI D. M. KATHIR ANAND (VELLORE): The share of Tamil Nadu in devolution of taxes decreased from 5.305 per cent in the 12th Finance Commission to 4.079 per cent in the 15th Finance Commission. The total central transfer to Tamil Nadu from 2014-15 to 2022-23 has been Rs. 4.75 lakh crore, while the State of Tamil Nadu has contributed Rs. 6.35 lakh crore in direct taxes alone. If indirect taxes are also considered, then for every 1 rupee contribution to Union Government only 29 paise has been received back by Tamil Nadu. The termination of GST compensation regime on 30.06.2022, has resulted in a revenue shortfall of Rs. 20,000 crore per annum for the Government of Tamil Nadu. While the States are reeling under the stress of revenue shortfall in the aftermath of GST, the Union Government is continuing to divert its revenue collections away from the divisible pool of taxes, by imposition of cesses and surcharges. In 2022-23, the Central Government would have collected about Rs. 5.1 lakh crores from cess and surcharge. If this were devolved to the State then Tamil Nadu would have received an additional Rs. 20,800 crores in one year. Tamil Nadu has been continuously losing its rightful share of funds despite being the second highest contributor to Central exchequer. Therefore, I urge the Union Government to provide increased devolution of taxes to Tamil Nadu from this year onwards.