

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5432
ANSWERED ON:28.04.2000
DECLINE IN TAX GDP
BASUDEB ACHARIA;NIKHILANANDA SAR

Will the Minister of FINANCE be pleased to state:

- (a) Whether decline in tax-GDP ratio contributed to the fiscal deficit; and
- (b) if so, the facts thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): Fiscal deficit is the net borrowing requirement of the Government to finance its expenditure. Hence, a decline in tax-GDP ratio and consequent deceleration in the growth in tax revenue collection has an adverse impact on fiscal deficit.