

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1812
ANSWERED ON:10.12.2004
COMMERCIAL TAXES
Singh Shri Sugrib

Will the Minister of FINANCE be pleased to state:

- (a) whether several States are facing financial crisis as they have failed to mobilize resources within the States;
- (b) if so, the State-wise arrears of commercial taxes as on date; and
- (c) the reasons why the State Governments are not able to recover the commercial taxes?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

- (a) Govt of India does not make assessment of ` financial crisis ` in States. States do have revenue deficits. Eight States had revenue deficit to revenue receipt ratio exceeding 25% in the FY 2003-04(RE).
- (b) & (c) Collection of Sales tax on goods and specified services also referred to as commercial taxes falling under the State List of the Constitution is the responsibility of State Governments for which they are answerable to their respective State Legislatures. Government of India, therefore, does not maintain statistics on arrears of State taxes.