

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:240  
ANSWERED ON:18.03.2005  
TWELFTH FINANCE COMMISSION  
Prabhu Shri Suresh Prabhakar;Satpathy Shri Tathagata

**Will the Minister of FINANCE be pleased to state:**

- (a) the funds allocated by the 12th Finance Commission to various States under different schemes;
- (b) the steps taken by the Union Government to improve financial position to mobilize additional resources for all round development;
- (c) whether the 12th Finance Commission has worked out the cost of wages and salaries of the State Government employees; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM):

(a) to (d) Twelfth Finance Commission (TFC) has recommended a total estimated transfer of Rs. 613,112.02 crore to States as share in the net proceeds of all sharable union taxes and duties and has recommended grants amounting to Rs. 142,639.60 crore, aggregating to a total transfer of Rs. 755,751.62 crore to the States over the period 2005-10 as against a total estimated transfer of Rs. 440,209.26 crore by Eleventh Finance Commission for 2000-05. Government of India has accepted the recommendation of the TFC. State-wise details of estimated share in taxes and in each of the grants recommended are enclosed at Statement-I. Government of India has taken measures to increase tax-GDP ratio, rationalise expenditure and prudently borrow to improve the financial position. States get additional resources when Gol's tax collections improve. Twelfth Finance Commission has reported details of number of employees and per employee salary expenditure of State Governments, State-wise for the period 1994-95 to 2002-2003, which is enclosed as Statement -II and III.