

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1
ANSWERED ON:10.08.2007
SHARE OF MAHARASHTRA IN CENTRAL TAXES
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Will the Minister of FINANCE be pleased to state:

- (a) the criteria for distribution of central taxes and grant;
- (b) whether the share of Maharashtra in central tax and grant has been reduced as per the recommendation of twelfth finance commission;
- (c) if so, the details of central tax and grant provided to Maharashtra in comparison to other States; and
- (d) the reason for granting less share to Maharashtra despite more collection of central taxes from the State?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a): The criteria and Relative Weights adopted by Eleventh Finance Commission and Twelfth Finance Commission for distribution of Share in Central Taxes & Duties and grants-in-aid to States including Maharashtra were as follows:

(1) Share in Central Taxes and Duties

| Sl.No. | Criterion | Relative Weight (per cent) | |
|--------|-----------|----------------------------|-------------------------|
| | | 11th Finance Commission | 12th Finance Commission |

| | | | |
|---|--------------------------|------|------|
| 1 | Population | 10.0 | 25.0 |
| 2 | Income (Distance Method) | 62.5 | 50.0 |
| 3 | Area | 7.5 | 10.0 |
| 4 | Index of infrastructure | 7.5 | 0.0 |
| 5 | Tax effort | 5.0 | 7.5 |
| 6 | Fiscal Discipline | 7.5 | 7.5 |

(2) Grants-in-aid - Local Bodies

| Sl.No. | Criterion | Relative Weight (per cent) | |
|--------|-----------|----------------------------|-------------------------|
| | | 11th Finance Commission | 12th Finance Commission |

| | | | |
|---|---|------|------|
| 1 | Population | 40.0 | 40.0 |
| 2 | Geographical area | 10.0 | 10.0 |
| 3 | Distance from highest per capita Income | 20.0 | 20.0 |
| 4 | Index of decentralization | 20.0 | 0.0 |
| 5 | Revenue effort of which | 10.0 | 20.0 |
| | (a) with respect to own revenue of States | 10.0 | |
| | (b) with respect to GSDP | 10.0 | |
| 6 | Index of deprivation | 0.0 | 10.0 |

(b) and (c): No, Sir. The share of Central Taxes to Maharashtra which was 4.632% during the period of Eleventh Finance Commission award has increased to 4.997% for the period of the Twelfth Finance Commission. And Grant-in-aid has increased from 3.84% to 3.88%. State-wise details are annexed.

(d): The question does not arise.