

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1529
ANSWERED ON:04.03.2011
COMPENSATION FOR LOSSES OF STATES
Satpathy Shri Tathagata

Will the Minister of FINANCE be pleased to state:

- (a) the details of revenue loss suffered by the States due to the implementation of new taxation system like Value Added Tax(VAT), State-wise ;
- (b) the policy of the Government relating to compensation, amount due, released and pending release thereto to the States;
- (c) whether many States have not yet got their outstanding compensation;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the steps taken thereon?

Answer

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

- (a) & (b): The details of revenue loss suffered by the States due to introduction of Value Added Tax (VAT), amount released and pending are at Annexure- I. The guidelines relating to compensation are at Annexure-II.
- (c) to (e): Admissible claims of all the States other than Maharashtra, Meghalaya and Tamil Nadu have been settled. An amount of Rs.277.40 crore remains to be paid to Maharashtra, Rs.167.42 crore to Meghalaya and Rs.321.36 crore to Tamil Nadu, as on date. Claims of Maharashtra and Tamil Nadu are pending as the AG audited figures in support of their claims have been received only recently. Meghalaya has sent the claims for financial years 2005-06 to 2007-08 only in February, 2011. Claims of these States have been processed.