

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2720

ANSWERED ON:09.12.2011

‘COLLECTION AND ALLOCATION TO STATES’

Abdulrahman Shri ;Meghwal Shri Arjun Ram ;Sahu Shri Chandulal Chandu Bhaiya

Will the Minister of FINANCE be pleased to state:

- (a) the details of direct and indirect taxes collected and funds allocated to each State during each of the last three years;
- (b) the basis/formula for giving Central grants to States and the amount of Union Government share on the proceeds of taxes collected by the States;
- (c) whether the government proposes to revise the said formula for the distribution of Central grants to the States;
- (d) if so details thereof;
- (e) whether the consent of State Governments have been sought prior on the revision of the formula; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a) The details of the Direct and Indirect Central Taxes and Duties collected and the States' share of net shareable Central Taxes and Duties released during the last three years are given in the annexed Table-1 and Table-2 respectively.
- (b) The criteria for state share in Union Taxes and Non Plan Grants to State Governments under Article 275 (1) of the Constitution are recommended by the Finance Commission which is constituted by Central Government every five years. Currently, the state share in Union taxes and grants under Article 275 (1) are being governed by the recommendations of Thirteenth Finance Commission. Normal Central Assistance to State Plan is decided by Planning Commission on the basis of Gadgil-Mukherjee Formula. Additional Central Assistance to State Plans under other schemes and grants to states under various Centrally Sponsored Schemes are determined based on individual schemes and projects.
- (c) There is no such proposal at present.
- (d)to(f) Do not arise.