

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2538
ANSWERED ON:25.07.2014
SHARE OF STATES IN CENTRAL TAX REVENUES
Venkatesh Babu Shri T.G.

Will the Minister of FINANCE be pleased to state:

- (a) The criteria being followed in regard to sharing of the proceeds of central tax revenues to the States in the country;
- (b) Whether some States have demanded higher share of Central tax revenues;
- (c) If so, the action taken by the Government thereon;
- (d) Whether any special sops are proposed to the States whose fiscal performance is upto the mark; and
- (e) If so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (Smt. Nirmala Sitharaman)

(a)to(e) The proportion of States' share in Central taxes is recommended by the Finance Commission constituted every five years. As per accepted recommendations of 13th Finance Commission (FC-XIII), the States' share has been fixed at 32% of the net proceeds of sharable Central Taxes for the period from 1.4.2010 to 31.03.2015, and accordingly, devolution is being made to the State Governments. The 14th Finance Commission has already been constituted on 2nd January, 2013. The Commission is holding consultation with States and Union Government and is scheduled to submit its report by end of October, 2014 covering its award period from 1.4.2015 to 31.03.2020.