

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2474**

TO BE ANSWERED ON TUESDAY, 17th DECEMBER, 2024/AGRAHAYANA 26, 1946
(SAKA)

SPECIAL CATEGORY STATUS FOR ODISHA

2474. DR. SASMIT PATRA:

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

- a) whether Government is considering to provide Special Category status to Odisha;
- b) if so, by when this status would be provided to the State; and
- c) if not, the reasons for not providing this status to Odisha whereas several other States are enjoying Special Category status?

ANSWER

**THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

- (a) to (b):** No sir. There is no proposal under consideration of the Union Government for granting Special Category Status (SCS) to the State of Odisha.
- (c):** Special Category Status for plan assistance was granted in the past by the National Development Council (NDC) to some States characterised by a number of features necessitating special consideration. These features included (i) hilly and difficult terrain, (ii) low population density and/or sizeable share of tribal population, (iii) strategic location along borders with neighbouring countries, (iv) economic and infrastructural backwardness and (v) non-viable nature of state finances. The decision was based on an integrated consideration of all the factors listed above and the peculiar situation of the State.

2. Further, the 14th Finance Commission has not made any distinction between General Category and Special Category States in the horizontal distribution of shareable taxes amongst the States. As per the recommendations of the Fourteenth Finance Commission (FFC), the Union Government increased the share of net shareable taxes to the States from 32% earlier to 42% for the period 2015-20. This has provided more untied resources to the States. The Fifteenth Finance Commission has also retained the same at 41% (1% adjusted on account of creation of UT of J&K) for the period 2020-21 & 2021-26. The objective has been to fill the resource gap of each State to the extent possible through tax devolution. Also, post-devolution revenue deficit grants have been provided to States where devolution alone could not cover the assessed gap.
