

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE**

**DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA**

**UNSTARRED QUESTION NO. 1328  
TO BE ANSWERED ON FRIDAY 22<sup>nd</sup> December, 2017  
[1 Pausha, 1939 (SAKA)]**

**'Stoppage of Funds to District Council/Block Committees'**

**No. 1328, SHRI VISHNU DAYAL RAM**

Will the MINISTER OF FINANCE be pleased to state:

- (a) whether the States have been benefited due to the increase in the tax share of States and if so, the details thereof, State/UT-wise;
- (b) the details of the benefits extended to Jharkhand and other States in the country, State/UT-wise; and
- (c) whether as per the report of the 14<sup>th</sup> Finance Commission, the funds provided to District Council Members/Block Developments Committee Members have been stopped and if so, the details thereof along with the reasons therefor?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PON. RADHAKRISHNAN)**

(a) and (b) Consequent upon the acceptance of the recommendations of Fourteenth Finance Commission (FFC) for the increase in the tax share of States from 32% to 42%, the tax devolution to States, including Jharkhand, has increased from ₹ 337808.45 crore in 2014-15 (i.e. terminal year of 13<sup>th</sup> Finance Commission award period) to ₹ 506192.96 crore and ₹ 608000.31 crore in respective years of 2015-16 and 2016-17 (i.e. first and second year of FFC award period). Union Territories (UTs) do not fall within the purview of Finance Commission and tax devolution is not devolved to the Union Territories. The State-wise, year-wise details for the period from 2014-15, 2015-16 and 2016-17 are enclosed as Annex -A.

(c) 14<sup>th</sup> Finance Commission vide para 9.109 stated that, 'Areas under Schedule VI in Meghalaya, Mizoram, Tripura and Assam, the areas in the hill districts of Manipur, rural areas of Nagaland and Mizoram will remain outside the ambit of the measures we have recommended for panchayats and municipalities'. However, the Commission vide para 9.110 recommended that, 'We urge the Union Government to consider a larger, sustained and more effective direct intervention for the upgradation of administration as well as development of the areas covered under the proviso to Article 275(1) and excluded from the consideration of Finance Commissions in the Terms of Reference (ToRs), in order to bring such areas on par with other areas'. In the backdrop of this recommendation, the Govt. of India sanctioned 'One Time Assistance' of ₹ 1000 crore during 2015-16 to Areas covered under Sixth Schedule of the Constitution falling in States of Assam, Meghalaya, Mizoram and Tripura. Further, during 2017-18, ₹ 500 crore has been released to all the areas excluded from the purview of the 14<sup>th</sup> Finance Commission.

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**Annex - A**

**Statement showing year-wise releases of States' Share of Union Taxes and Duties  
made to the State Governments**

(₹ in crore)

Sl.No.	State	2014-15	2015-16	2016-17
		Actual	Actual	Actual
1	Andhra Pradesh	13692.42	21893.79	26263.88
2	Arunachal Pradesh	1109.98	7075.58	8388.30
3	Assam	12283.71	16784.88	20188.64
4	Bihar	36963.07	48922.68	58880.59
5	Chhattisgarh	8363.03	15716.47	18809.16
6	Goa	900.54	1923.76	2299.20
7	Gujarat	10296.35	15690.43	18835.39
8	Haryana	3548.09	5496.22	6597.47
9	Himachal Pradesh	2644.17	3611.17	4343.70
10	Jammu & Kashmir	4477.23	7813.48	9488.60
11	Jharkhand	9487.01	15968.75	19141.92
12	Karnataka	14654.25	23983.34	28759.94
13	Kerala	7926.29	12690.67	15225.02
14	Madhya Pradesh	24106.99	38397.84	46064.10
15	Maharashtra	17602.97	28105.95	33714.90
16	Manipur	1526.95	3142.42	3757.13
17	Meghalaya	1381.69	3276.46	3911.05
18	Mizoram	910.67	2348.11	2800.63
19	Nagaland	1062.69	2540.72	3032.63
20	Odisha	16181.21	23573.75	28321.49
21	Punjab	4702.97	8008.90	9599.73
22	Rajasthan	19817.14	27915.93	33555.86
23	Sikkim	809.33	1870.28	2233.30
24	Tamil Nadu	16824.03	20353.86	24537.76
25	Telangana	9795.40	12350.72	14876.61
26	Tripura	1730.13	3266.02	3909.12
27	Uttar Pradesh	66622.91	90973.66	109427.46
28	Uttarakhand	3792.30	5333.19	6411.57
29	West Bengal	24594.93	37163.93	44625.16
	<b>TOTAL</b>	<b>337808.45</b>	<b>506192.96</b>	<b>608000.31</b>