

**GOVERNMENT OF INDIA
MINISTRY OF PLANNING**

**LOK SABHA
UNSTARRED QUESTION NO. 3078
TO BE ANSWERED ON 14.03.2018**

SPECIAL CATEGORY STATUS

3078. SHRI Y.V. SUBBA REDDY:

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

- (a) whether the 14th Finance Commission recommended not to confer Special Category Status on any State;
- (b) if so, the details and the major recommendations thereof;
- (c) whether it is true that the Government has taken a decision that henceforth no Special Category Status would be given to any State;
- (d) if so, the likely fate of Andhra Pradesh and other States which were assured of being given special category status; and
- (e) the justification of extending tax and other benefits to the Special Category Status States in spite of purported refusal by 14th Finance Commission?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF PLANNING
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS**

(RAO INDERJIT SINGH)

(a) & (b) Special Category Status for plan assistance has been granted in the past by the National Development Council (NDC) to some States that are characterized by a number of features necessitating special consideration. The Fourteenth Finance Commission (FFC) in its recommendations has not made any distinction between General Category States and Special Category States in the horizontal distribution of shareable taxes amongst the States. The Fourteenth Finance Commission has considered both Plan and Non-Plan expenditure in assessing the revenue requirements of States. The objective of the FFC has been to fill the resource gap of each State to the extent possible through tax devolution. Accordingly, the States' share of Central taxes has increased from 32% earlier to 42% for the period 2015-2020 as per the recommendations of the Fourteenth Finance Commission. Also, post-devolution revenue deficit grants have been provided to States where devolution alone could not cover the assessed gap.

(c) & (d) Special Category Status for plan assistance had been granted in the past by the National Development Council (NDC) to some States that were characterized by a number of features necessitating special consideration. Since 14th Finance Commission in its recommendations has not made any distinction between General category states and Special category states in the horizontal distribution of sharable taxes among the states, no state is being considered for grant of special category status for plan assistance.

(e) Specific tax benefits are not provided to States granted Special Category Status for plan assistance.