

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA
UNSTARRED QUESTION No. †1274

TO BE ANSWERED ON MONDAY, December 11, 2023/Agrahayana 20, 1945 (Saka)

SPECIAL STATUS TO BIHAR

†1274. SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH
SHRI KAUSHALENDRA KUMAR
SHRI DINESH CHANDRA YADAV

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is contemplating on the long standing demand of granting “the special category status to Bihar” to take the State out of backwardness;
- (b) if so, the details of the tax schemes under which funds were provided to Bihar during the last five years under the special assistance, year-wise/scheme-wise and amount of fund-wise; and
- (c) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c): Special Category Status for plan assistance was granted in the past by the National Development Council (NDC) to some States that are characterized 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 neighboring countries, (iv) economic and infrastructural backwardness and (v) non-viable nature of State finances. The decision was taken based on an integrated consideration of all the factors listed above and the peculiar situation of the State. Earlier, the request of Bihar for Special Category Status was considered by an Inter-Ministerial Group (IMG) which submitted its Report on 30th March, 2012. The IMG came to the finding that based on existing NDC criteria, the case for Special Category Status for Bihar is not made out.

Further, as per the Fourteenth Finance Commission recommendations, the Union Government increased the share of net shareable taxes to the States from 32% earlier to 42% for the period 2015-20. The Fifteenth Finance Commission has also retained the same at 41% (1% adjusted on account of the reorganization of the State of Jammu and Kashmir) for the

period 2020-26. After acceptance of the Fourteenth Finance Commission recommendations, the State's share in divisible pool of central taxes has increased, providing for more fiscal space to the States for contextual needs.

Details of Grants-in Aid and Loan released to the State Government of Bihar during financial years 2016-17 to 2022-23 are provided in the following Table:

(Rs. in crore)

Sl. No.	Items	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
1	Share in Devolution of Central Taxes & Duties	58,881	65,083	73,603	63,406	59,861	91,353	95,510
2	Grants-in-aid	20,559	25,720	24,652	26,969	31,764	28,606	58,001*
	Of which:							
2(a)	Finance Commission Transfers	3,967	5,888	4,775	7,897	10,105	8,117	6,733
2(b)	Special Assistance	1,329.40	3,414.00	739.47	0.00	195.7385	250.00	0.00
3	Loan for Externally Aided Projects (EAPs)	1,507.38	1,391.46	2,533.78	1,278.42	1,831.97	1,387.78	1,648.32
4	Special Assistance to States for Capital Expenditure/ Investment	-	-	-	-	843.00	1,246.00	8,455.85

*: Source- State Budget Documents - Revised Estimate for 2022-23.
