

**Government of India
Ministry of Finance
Department of Revenue**

**LOK SABHA
UNSTARRED QUESTION NO. 1043
TO BE ANSWERED ON MONDAY, FEBRUARY 08, 2021
MAGHA 19, 1942 (SAKA)**

DISTRIBUTION OF CENTRAL TAX REVENUE

1043. DR. T. R. PAARIVENDHAR:

Will the Minister of Finance be pleased to state:

(a) whether it is true that over 50 per cent of Central Tax Revenue comes from just four States such as Maharashtra, Gujarat, Karnataka and Tamil Nadu and the Union Government keeps 58 per cent and remaining 42 per cent distributed among States;

(b) If so, the details thereof; and

(c) the total amount of tax revenue collected from each State and distributed to each State in percentage during the last three years?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a) to (c):

Share in Union Taxes and Duties is released to the State Governments on the basis of accepted recommendations made by the Finance Commission in terms of Article 280(3)(a) of the Constitution of India. Accordingly, during the period 2015-16 to 2019-20, tax devolution was released @42 per cent of the net proceeds of Union Taxes and Duties.

Total direct tax collection during the Financial Year 2019-20 was Rs. 10,50,681 crore out of which Rs. 6,12,557 crore (58.30%) was collected from four States namely Maharashtra, Gujarat, Karnataka and Tamilnadu. Even though the direct tax collection figure is shown in a particular state, the income generating activities like production, trade, distribution etc. take place in various parts of the country. For example, a major steel company pays direct tax in Mumbai though its major production takes place in Jharkhand. Similarly, SBI, LIC etc. pay direct tax in Mumbai, though their activities are spread across the country.

While the data on collection of Non-GST indirect taxes is not maintained State/UT-wise, total CGST collection during the Financial Year 2019-20 was Rs. 2,27,442 crore, out of which Rs. 1,11,192 crore (48.89%) was collected from four States namely Maharashtra, Gujarat, Karnataka and Tamilnadu.

The Finance Commission also prescribes inter-se share of each State in the net proceed of taxes (i.e. divisible pool). The percentage of State's share and the amount released to these four states during last three years is as under:

Sl. No.	State	Share Percentage	State Share (Rs. In Crore)		
			2017-18	2018-19	2019-20
1	Maharashtra	5.521	37203.32	42050.43	36219.64
2	Gujarat	3.084	20782.34	23489.32	20232.09
3	Karnataka	4.713	31751.99	35894.83	30919.00
4	Tamilnadu	4.023	27099.72	30638.87	26392.40
