

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UN-STARRED QUESTION NO. 2721

TO BE ANSWERED ON MONDAY, THE 17th MARCH, 2025
PHALGUNA 26, 1946 (SAKA)

Tax Devolution Policy

2721. Shri Rajesh Verma:

Shri Naresh Ganpat Mhaske:

Dr. Shrikant Eknath Shinde:

Smt. Shambhavi:

Shri Ravindra Dattaram Waikar:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the devolution allocations to State Governments since 2019 and their significance, State-wise and year-wise;
- (b) the measures taken to ensure transparency and accountability in the calculation and distribution of tax devolution to States;
- (c) the mechanisms put in place to address the needs of States with higher developmental gaps;
- (d) whether the Government has any plans to integrate dynamic factors like population growth, environmental sustainability and disaster resilience into the tax devolution framework, if so, the details thereof; and
- (e) whether the Government has any long-term plans to increase consultations with State Governments to develop a more inclusive and participatory approach to tax devolution policy, if so, the details thereof?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a): States' share of Union Taxes and Duties released to the States as per accepted recommendation of Finance Commission, since FY 2019-20 is given below:

| State | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | (₹ Crore) |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------------------------|
| | | | | | | 2024-25 (till 10.3.2025) |
| Andhra Pradesh | 28242.39 | 24460.59 | 35385.83 | 38176.74 | 45710.74 | 52080.15 |
| Arunachal Pradesh | 8987.57 | 10472.58 | 14643.90 | 16689.17 | 19845.22 | 22610.55 |
| Assam | 21721.44 | 18629.32 | 28150.55 | 29694.26 | 35330.57 | 40253.77 |
| Bihar | 63406.33 | 59861.41 | 91352.62 | 95509.85 | 113604.49 | 129434.93 |
| Chhattisgarh | 20205.84 | 20337.54 | 28570.86 | 32358.26 | 38481.88 | 43844.17 |
| Goa | 2479.85 | 2296.53 | 3356.98 | 3665.19 | 4359.85 | 4967.38 |
| Gujarat | 20232.09 | 20218.53 | 31105.78 | 33034.00 | 39283.63 | 44757.99 |
| Haryana | 7111.53 | 6437.59 | 9722.16 | 10378.00 | 12345.35 | 14065.65 |
| Himachal Pradesh | 4677.56 | 4753.92 | 7349.04 | 7883.98 | 9374.72 | 10681.24 |
| Jammu & Kashmir | 6801.81 | - | - | - | - | - |
| Jharkhand | 20593.04 | 19712.23 | 27734.64 | 31404.12 | 37352.35 | 42557.30 |
| Karnataka | 30919.00 | 21694.11 | 33283.58 | 34596.18 | 41192.63 | 46932.72 |
| Kerala | 16401.05 | 11560.40 | 17820.09 | 18260.68 | 21742.92 | 24772.38 |
| Madhya Pradesh | 49517.61 | 46922.16 | 69541.50 | 74542.85 | 88665.34 | 101020.45 |
| Maharashtra | 36219.64 | 36504.01 | 54318.06 | 60000.98 | 71349.75 | 81292.84 |
| Manipur | 4047.77 | 4271.97 | 6009.65 | 6795.08 | 8087.14 | 9214.13 |
| Meghalaya | 4211.78 | 4551.63 | 6580.63 | 7286.14 | 8663.22 | 9870.40 |
| Mizoram | 3017.80 | 3010.55 | 4222.87 | 4745.25 | 5647.47 | 6434.44 |
| Nagaland | 3267.08 | 3409.25 | 4875.46 | 5400.19 | 6426.82 | 7322.37 |
| Odisha | 30453.25 | 27542.67 | 38144.79 | 42989.33 | 51143.68 | 58270.00 |
| Punjab | 10345.78 | 10638.21 | 15288.79 | 17163.65 | 20409.92 | 23254.04 |
| Rajasthan | 36049.14 | 35575.77 | 54030.61 | 57230.78 | 68063.21 | 77547.76 |
| Sikkim | 2407.69 | 2308.47 | 3353.69 | 3680.28 | 4382.44 | 4993.11 |
| Tamil Nadu | 26392.40 | 24924.51 | 37458.60 | 38731.24 | 46072.28 | 52491.88 |
| Telangana | 15987.59 | 12691.62 | 18720.54 | 19668.15 | 23742.04 | 27050.25 |
| Tripura | 4211.78 | 4218.45 | 6077.52 | 6724.23 | 7996.82 | 9111.14 |
| Uttar Pradesh | 117818.30 | 106687.01 | 160358.05 | 169745.30 | 202619.69 | 230854.62 |

| | | | | | | |
|--------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| Uttarakhand | 6901.54 | 6568.72 | 9906.25 | 10617.01 | 12627.75 | 14387.36 |
| West Bengal | 48048.40 | 44737.01 | 65540.75 | 71434.93 | 84971.79 | 96812.42 |
| TOTAL | 650677.05 | 594996.76 | 882903.79 | 948405.82 | 1129493.71 | 1286885.44 |

Part (b): The devolution of shareable portion of Union Taxes and Duties is made to States in accordance with the accepted recommendations of Finance Commission. As per Article 279(1) of the Constitution of India, '*net proceeds*' calculated for the purposes of devolution is certified by the Comptroller and Auditor-General of India.

Part (c to e): The methodology based on which distribution of net proceeds of taxes between the Union and States is decided by the Finance Commission, as it deems appropriate. During the process of preparing report, Finance Commission consults all stakeholders including the State Governments.
