

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 4940
TO BE ANSWERED ON MONDAY, THE 23RD MARCH, 2026
CHAITRA 02, 1948 (SAKA)

INCREASE IN SHARE OF DEVOLUTION TO STATES

4940. SMT. RACHNA BANERJEE :

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the States in the country have been demanding a larger share of devolution from 41 per cent to 50 per cent, if so, the details thereof; and
- (b) whether it is a fact that only 39 per cent gross tax revenue is shared with States as opposed to 41 per cent as recommended by the 15th Finance Commission, if so, the details and the reasons therefor?

ANSWER

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

(a) Para 7.36 of Chapter 7 of Volume I of the 16th Finance Commission (16th FC) Report mentions that eighteen States through their respective State Memoranda demanded a larger share of devolution from 41 per cent to 50 per cent from the 16th Finance Commission. Details of consultations of the 16th FC with the States may be seen at Annexure 1.7 of Volume II of the 16th FC Report available at <https://www.indiabudget.gov.in/doc/16fcvol2.pdf>.

(b) Does not arise. The Government has shared taxes and duties as per the recommendations of the Fifteenth Finance Commission (15th FC). The 15th FC recommended that 41% of the divisible pool of taxes be shared with the States which the Government has duly done.
