

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 5116
ANSWERED ON 24.03.2026

ASSESSMENT OF OWN SOURCE REVENUE

5116. SMT. MAHIMA KUMARI MEWAR:
SHRI VISHWESHWAR HEGDE KAGERI:
SHRI SUKHJINDER SINGH RANDHAWA:
SHRI CHINTAMANI MAHARAJ:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Ministry has undertaken any assessment of the Own Source Revenue (OSR) potential of Panchayats in the country, State/UT-wise including Punjab and if so, the key findings thereof;
- (b) whether digital property tax collection tools have been pilot tested to strengthen revenue collection by Panchayats, State/UT-wise including Punjab and if so, the details thereof;
- (c) whether the Government is considering providing financial incentives to Panchayats to encourage improved revenue mobilisation and if so, the details thereof including Punjab; and
- (d) whether any steps are being taken to support Panchayats in tribal and aspirational regions including Surguja district of Chhattisgarh to enhance their own source revenue through digital and institutional mechanisms and if so, the details thereof including Chhattisgarh?

ANSWER

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a): The Ministry of Panchayati Raj constituted an “Expert Committee on Own Source Revenue (OSR) of Rural Local Bodies” in 2022 to review the status of OSR of Panchayats. As per the report of the Expert Committee, around Rs. 25,595 crores of OSR have been collected by Panchayati Raj Institutions (PRIs) in the 30 States/UTs, during 2017-18 to 2021-22 and per capita OSR at the national level was around Rs. 59/- annually, for the same period. The per capita OSR varies significantly across the States, ranging up to Rs. 1635/- per annum in Goa. As per this Report, challenges faced by Panchayats in generating OSR include absence or outdated nature of State-level rules and guidelines; inadequate devolution of taxation powers to Panchayats; lack of willingness among Panchayats to impose taxes and fees; limited cooperation from citizens and weak enforcement mechanisms against defaulters etc. Findings of other studies on this subject are also on similar lines. Ministry of

Panchayati Raj has shared these reports with States for implementation.

Further, in Para. No. 10.50 of its Report, the 16th Finance Commission has observed that the own resources generated by the vast majority of local bodies, are minuscule. They remain heavily, if not entirely, dependent on the Union and State Governments to carry out their mandate. In Para. No. 10.51, the Commission has further observed that successive Finance Commissions have stated that the primary responsibility for the provision of fiscal resources for local bodies rests with the State Governments.

(b): The Ministry of Panchayati Raj has undertaken a significant step to digitise the OSR collection of the Panchayats by developing the “SAMARTH Panchayat portal”, a dedicated digital platform that facilitates the generation of tax & non-tax demands, maintenance of tax registers, online payment of dues through payment gateway, and online tracking of revenue. This digital empowerment is designed to bring transparency, efficiency, and scalability to local financial administration. The portal has been successfully pilot tested in the State of Himachal Pradesh and Chhattisgarh. All the States, including Punjab, have been requested to onboard on the SAMARTH Panchayat Portal.

(c): The incentivization of Panchayats is being carried out under the revamped Rashtriya Gram Swaraj Abhiyan (RGSA) scheme. Under this scheme, in 2025, the Ministry of Panchayati Raj has launched the Atma Nirbhar Panchayat Special Award (ANPSA) on National Panchayati Raj Day (NPRD), and it is for the first time that the Ministry has institutionalized dedicated Special Category Awards to incentivize and acknowledge exemplary efforts of Gram Panchayats in Atmanirbharta (Self-Reliance) through augmentation of Own Sources Revenue (OSR). Atma Nirbhar Panchayat Special Award(ANPSA) is to promote Atmanirbharta through augmentation of Own Source Revenue (OSR) by Panchayats. Each award includes a financial incentive of Rs.1 crore (Rank 1), Rs.75 lakh (Rank 2), and Rs.50 lakh (Rank 3) respectively.

Further, the Sixteenth Finance Commission has recommended an allocation of Rs. 43,524 crores as Rural Local Body (RLB) performance grant, which has been linked to the generation and enhancement of OSR by the RLBs.

(d): State Government of Chhattisgarh has informed that in tribal and aspirational regions- including the Surguja district of Chhattisgarh-it is encouraging Panchayats to collect taxes through the 'Samarth Panchayat' portal, with the aim of assisting them in augmenting their revenue sources and making the process transparent.
