நவீனத் தமிழாய்வு

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MEASURING THE REVENUE PERFORMANCE OF SUB - NATIONAL GOVERNMENTS

L. NOOR ASMA

Ph.D., Research Scholar (Part Time), Register No. : 11300, Post Graduate and Research Department of Economics, Aditanar College of Arts and Science, Tiruchendur. Manonmaniam Sundaranar University Abishekapatti, Tirunelveli – 627 012, Tamil Nadu, India.

Dr. (Major) P. PRABHAKARAN.

Associate Professor (Retd.) and Research Supervisor, Post Graduate and Research Department of Economics, Aditanar College of Arts and Science, Tiruchendur, Tamil Nadu, India.

Abstract

Public revenue refers to the income of a government from various sources. In the early days of human civilization, the role of government was limited. Resource mobilization is the most important aspect in state finances enabling, them to undertake developmental activities. In fact, extent of developmental activities primarily depends upon the extent of resource mobilization. Fiscal health of sub-national government to a large extent depends upon its revenue performances. Revenue performance to a larger extent depends upon certain ratios such as the ratio of Own Tax Revenue to Gross State Domestic Product (RP1), ratio of Own Non-Tax Revenue to Gross State Domestic Product (RP2) and ratio of Current transfers from Centre to Gross State Domestic Product (RP3). The main objective of the study is to make the inter-state comparison on its revenue performance. An aggregation of these ratios gives the overall revenue performance of sub-national governments.

Introduction

Public revenue refers to the income of a government from various sources. In the early days of human civilization, the role of government was limited. There was limited population and they had limited needs and demand to be fulfilled. As time passed, the population increased sustainably. According to Dalton income of a public authority may be defined either in a broad or in a narrow sense. In the broad sense it includes all 'incomings' or 'receipts'. In the narrow sense it includes only those receipts which are included in the ordinary conception of revenue.

Hence in the narrow sense it applied only to those receipts of a recurring character, which are termed revenue. There are both revenue receipts and capital receipts. Revenue receipts are derived from taxes of different forms. Capital receipts include primary internal market borrowing and also external loans. However the bulk of state revenue comes from internal sources. The major point of dis-tinction between the two is that while the former has the receipts or earnings of the people as the source, the later has the public property as the source.

Source of Public Revenue:

In order to carry out different activities, the government has to collect revenue from different

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sources. Some major sources of public revenue are discussed below. The three sources of public revenue are tax revenue, non-tax revenue and foreign grants.

Tax Revenue: Tax is the major source of public revenue of a government. The government collects revenue from both direct and indirect taxes. The major forms of tax are as follows: **Customs:** It is collected at customs points located at the border of a nation. It includes income obtained from import and export duties imposed by the government on goods and services. The amount of income from customs depends upon the volume of exports and imports. **Tax on consumption and production of goods and services:** The government imposes various types of direct and indirect taxes on goods and services consumption. It includes income through exercise duties, sales tax, VAT, contract tax etc. **Land Revenue and Registration Tax:** Land revenue and house registration are a direct tax because it cannot be shifted to others. It is a major and regular source of income of a government. **Tax on the property, profit and income:** These types of taxes are also direct. They are obtained from income tax, urban house tax, land tax and tax on bank interest.

Non-Tax revenue: Mainly the non-tax revenue constitutes the following: **Fee, License and Permits:** Fee means the amount raised by the government for services rendered in the field of education, training, registration, etc. Likewise, the government collects some amount of revenue from the distribution of license for gun, pistol and vehicle. **Fines and Penalties:** A fine is a monetary punishment imposed by the government for the violation of law and order by its citizens. The additional amount charged on the delay of paying phone bills, water fees, license renewable fees within the fixed time are examples of such fines.

Income from public properties and public enterprises: The amount of income that government collects from the sale of its own goods and services. Income from public corporations falls under this kinds. **Grants and Gifts:** The fund provided by an individual and institutions of a country to the government voluntarily welfare of common people is known as grants and gifts. **Other services:** It includes betterment levy, escheats, etc.

Foreign Grants A government may receive grants from foreign government and institutions for development programs, security expenses and to meet even regular expenses. It occupies a large percentage of shares in the regular budget of developing nations.

Importance (Role) of public revenue

> Subsidies and grants: The governments these days give subsidies and grants to different industries to enable them to increase the production of essential goods in the country. These subsidies and grants have the special place in the government expenditure of underdeveloped and backward countries. The provisions of subsidies and grants are possible only if the government have sufficient revenue.

> Discourage the production of harmful goods: The governments often impose high taxes to discourage the production of harmful goods such as cigarette, alcohol, opium, etc. On the one side government collect higher revenue by imposing higher taxes on such goods and on the other sides, it helps to reduce the consumption of these goods.

> Protection of infant industries: The infant industries are often given protection against the foreign competition through the tariff

duties in the backward and underdeveloped countries. The objective of these duties is to enable the local industries to survive and grow in the home country.

> Planned economic development: Public revenue also renders valuable helps in the planned economic development of the country. For eg; the government of India has raised the necessary funds to implement the five-year plans by levying various personal and commodities taxes.

> Reducing economic inequalities: Public revenue also plays a vital role in reducing the economic inequalities in the capitalist country. For eg; the government can levy heavy taxes on the richer sections and spend the income on providing cheap food, cheap housing, free medical aids, etc to the poorer sections of the society.

Taxation and Mobilization of Resources for Economic Growth!

Taxation is an important instrument for fiscal policy which can be used for mobilizing re-sources for capital formation in the public sector. To raise ratio of savings to national income and thereby raise resources for development, it is necessary that marginal saving rate be kept higher than the average saving rate. By imposition of direct progressive taxes on income and profits and higher rates of indirect taxes such as excise duties and sales tax on luxury goods for which income elasticity of demand is higher, the marginal saving rate can be made higher than the average saving rate. This will cause a continuous increase in the saving rate of the economy.

An important merit of taxation is that it is not only a good instrument of resource mobilization for development but it also cuts down consumption of goods and thereby helps in checking inflation. Whereas direct taxes on income, profits and wealth reduce the disposable incomes of the people and thereby tend to reduce aggregate demand in the economy, indirect taxes directly discourages the consumption of the goods on which they are levied by raising their prices.

The General objectives of the study are to make the inter-state comparison on its revenue performance. Specific objectives of this study is

• To understand the revenue performance of states by rankings.

• To compare the revenue performance of sub – national governments.

The primary aim of this study is thus to assemble and present a consistent set of time series on state government finances for 10 years. The time period covered in the study is from 2005-06 to 2014-15 in respect of all states; they together consisted of 30 states (both special and Non-special category states), including the Delhi. national capital territory and Puducherry. The data have been principally sourced finances, from Reserve Bank of India (RBI)'s annual studies on state which constitute the most detailed state-wise and consistent data set available in the public domain. The RBI tabulates these statistics from budget documents of state governments. Though the analysis strictly conforms to the data presented in the state budgets and the accounting classification. The RBI uses other supplementary data received from the states and the Planning Commission and also the data from the Bank's own internal records.

Ratios, percentage and ranks were used to assess the revenue performance among the sub

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-national governments. The study is not free from limitations. As it utilizes, secondary data, the data are not adjusted for price changes. As a result changes may not have been accommodated in this study.

Revenue Performance of Sub-National Governments

Resource mobilization is the most important aspect in state finances enabling, them to undertake developmental activities. In fact, extent of developmental activities primarily depends upon the extent of resource mobilization. Fiscal health of sub-national government to a large extent depends upon its revenue performances. Revenue adequacy is an important feature that determines the fiscal health of a state government. Revenue performance to a larger extent depends upon certain ratios such as the ratio of Own Tax Revenue to Gross State Domestic Product (RP1), ratio of

Own Non-Tax Revenue to Gross State Domestic Product (RP2) and ratio of Current transfers from Centre to Gross State Domestic Product (RP3).

Ratio of Own Tax Revenue to Gross State Domestic Product (RP1)

Revenue of a state arises from sources such as agricultural income tax, taxes on professions, trades calling and employment, land revenue, stamps and registrations fees, urban immovable property tax, state sales tax, central sales tax, sales on motor spirit and lubricants, surcharge on sales tax, receipts turnover tax, other receipts, state excise taxes on vehicles, tax on goods and passengers, tax and duties on electricity, entertainment tax, other tax and duties. The ratio of own tax revenue to its Gross State Domestic Product reflects the magnitude of mobilization of revenue from its own sources of a government fiscal soundness of government. Higher the ratio, reveal the better fiscal performance of a state.

Table 1 : Ratio of Own Tax Revenue to Gross State Domestic Product (RP 1)

| S. No. | States | Special Category States | | | | | | | | | | | Rank |
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2005-15 (Average)	
1	Arunachal Pradesh	1.65	19.2	2.04	2.39	2.32	2.38	3.06	2.68	3.2	2.8	4.17	7
2	Assam	5.44	5.38	4.73	5.12	5.2	5.26	6.07	5.83	5.6	4.8	5.34	4
3	Himachal Pradesh	5.52	5.47	5.77	5.4	5.34	6.34	6.32	6.28	6.2	5.7	5.83	3
4	Jammu & Kashmir	5.65	5.73	6.2	6.36	6.35	6	6.96	7.52	7.2	6.3	6.43	1
5	Manipur	1.66	1.99	2.17	2.3	2.37	2.92	3.32	2.67	3.3	2.9	2.56	9
6	Meghalaya	3.48	3.54	3.28	3.18	8.31	3.92	4.06	4.63	4.3	3.8	4.25	6
7	Mizoram	1.85	2.07	2.04	2.08	2.05	2.04	2.59	2.67	2.2	2.3	2.19	10
8	Nagaland	1.61	1.64	1.62	1.65	1.71	1.93	2.19	2.17	1.9	2.1	1.85	11
9	Sikkim	7.38	8.01	7.9	5.73	3.63	3.76	3.3	4.16	4.2	3.5	5.16	5
10	Tripura	3.01	3.13	3.14	3.26	3.42	3.48	4.09	4.21	4.0	4.0	3.58	8
11	Uttaranchal	5.96	6.83	5.97	5.44	7.22	5.25	5.74	6.13	6.0	5.1	5.96	2

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Non- Special Category States

S. No.	States	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2005-15 (Average)	Rank
1	Andhra Pradesh	7.5	7.95	7.89	7.82	7.38	7.73	8.04	7.94	7.5	8.1	7.78	7
2	Bihar	4.32	4	4.47	4.34	4.97	4.85	5.18	5.49	5.8	5.5	4.89	18
3	Chhattisgarh	7.59	7.55	7	6.8	7.17	7.54	7.42	7.97	7.7	6.7	7.34	8
4	Goa	7.65	7.82	6.95	6.67	6.05	6.37	5.9	6.93	7.3	9.6	7.12	10
5	Gujarat	6.41	6.51	6.65	63.8	6.2	6.97	7.44	8.04	7.4	6.9	12.6	1
6	Haryana	8.34	8.49	7.66	6.39	5.91	6.44	6.83	6.94	6.6	6.3	6.99	12
7	Jharkhand	4.74	4.67	4.23	5.79	5.53	4.69	5.13	5.42	5.4	4.8	5.04	17
8	Karnataka	9.51	10.3	9.6	8.91	9.06	9.37	10.2	10.4	10.2	7.6	9.51	2
9	Kerala	7.15	7.77	7.8	7.89	7.6	8.23	8.35	8.61	8.1	6.7	7.82	6
10	Madhya Pradesh	7.33	7.24	7.44	6.9	12.5	8.13	8.65	8.22	7.7	7.6	8.17	5
11	Maharashtra	6.89	6.86	6.94	6.9	6.91	7.15	7.45	7.81	7.2	6.4	7.05	11
12	Orissa	5.88	5.96	5.3	5.38	5.51	5.67	6.26	5.89	6.2	6.2	5.82	16
13	Punjab	8.27	7.09	6.5	6.41	6.1	7.44	7.35	7.9	7.6	6.9	7.16	9
14	Rajasthan	6.95	6.79	6.81	6.47	6.17	6.28	6.29	6.64	6.5	6.3	6.52	15
15	Tamil Nadu	9.05	8.94	8.44	8.39	7.62	8.17	8.92	9.57	8.6	7.2	8.49	3
16	Uttar Pradesh	6.43	6.84	6.52	6.44	6.47	6.89	7.68	7.43	7.7	7.1	6.95	13
17	West Bengal	4.51	4.47	4.38	4.22	4.24	4.58	4.72	5.35	5.1	4.9	4.65	19
18	NCT Delhi	7.75	7.49	7.46	6.43	6.18	6.52	6.73	6.73	6.6	5.4	6.73	14
19	Puducherry	5.75	6.16	6.5	5.89	6.63	11.4	10.8	11.4	9.0	8.3	8.19	4

Source: Estimated by us

The ratio of Own Tax Revenue to Gross State Domestic Product is given in the table1. From the table 1 it is clear that the Non- Special Category States such as Gujarat (12.6), Karnataka (9.51), Tamil Nadu (8.49) and Puducherry (8.19) holds the top places by having higher ratios which shows better performance, whereas Jharkhand (5.04), Bihar(4.89) and West Bengal (4.65) showing poor performance with less ratio. Also it is clear that the Special Category States such as Jammu & Kashmir (6.43), Uttaranchal(5.96) and Himachal Pradesh (5.83) stands in the top three places by having higher ratios, whereas Manipur (2.56), Mizoram (2.19) and Nagaland (1.85), having less ratio which shows poor performance.

Ratio of Own Non-Tax Revenue to Gross State Domestic Product (RP2)

Own non-tax revenue is the revenue which comes from source other than taxes. It arises from interest receipts, dividends and profits and the revenue through general services, social services, economic services and fiscal services. Own non-tax revenue is also one of the important sources of revenue to sub-national Governments. Own non-tax revenue is compared with Gross State Domestic Product. Ratio of Own non-tax revenue to Gross State Domestic Product is the important revenue performance indicator. Higher the ratio of Own non-tax revenue, shows the better fiscal performance of a state.

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Table 2: Ratio of Own Non - Tax Revenue to Gross State Domestic Product (RP 2)

Special Category States

S. No.	States	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2005-15 Average	Rank
1	Arunachal Pradesh	5.38	7.23	13.7	13.6	6.84	5.88	3.47	38	3.0	2.7	9.97	2
2	Assam	2.46	2.87	3	2.8	2.87	2.11	2.28	1.75	1.7	1.2	2.3	8
3	Himachal Pradesh	2.54	4.42	5.36	4.23	3.7	2.95	2.95	1.87	2.2	2.0	3.22	4
4	Jammu & Kashmir	2.43	1.82	2.66	2.66	2.68	1.88	2.94	2.79	3.3	2.0	2.51	6
5	Manipur	1.33	2.95	2.43	3.42	2.9	2.62	2.81	1.86	1.8	1.0	2.31	7
6	Meghalaya	2.01	2.13	2.04	1.94	2.16	1.89	2.14	2.65	2.7	1.4	2.11	9
7	Mizoram	4.04	4.04	3.41	3.47	2.4	1.98	2.44	2.54	1.9	2.1	2.83	5
8	Nagaland	1.47	1.25	1.47	1.92	29.5	26.4	1.68	1.32	1.2	1.5	6.77	3
9	Sikkim	49.7	50.2	56.4	37.3	22.1	18.3	31.1	77.1	6.4	4.6	35.3	1
10	Tripura	0.65	0.87	0.97	1.1	0.81	0.74	1.02	0.75	0.9	0.7	0.85	11
11	Uttaranchal	2.17	1.76	1.46	1.25	0.89	0.81	1.16	1.49	1.1	0.7	1.28	10

Non- Special Category States

S. No.	States	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2005-15 Average	Rank
1	Andhra Pradesh	1.83	2.16	1.94	2.27	1.64	1.84	1.76	2.12	1.8	2.1	1.95	10
2	Bihar	0.63	0.51	0.46	0.81	1.03	0.48	0.37	0.38	0.4	0.4	0.55	18
3	Chhattisgarh	2.3	2.17	2.52	2.27	3.06	3.21	2.81	2.82	2.7	2.1	2.6	4
4	Goa	5.31	5.56	5.33	4.86	5.94	6.75	5.35	4.32	3.4	5.7	5.25	2
5	Gujarat	1.37	1.74	1.4	13.8	1.26	0.94	0.89	0.9	0.9	1.1	2.43	5
6	Haryana	2.26	3.57	3.36	1.77	1.23	1.31	1.58	1.38	1.3	1.1	1.89	11
7	Jharkhand	2.28	2.14	1.9	2.5	3	2.46	2.24	2.33	2.2	2.0	2.31	6
8	Karnataka	1.98	1.8	1.24	1.02	3.32	0.82	0.9	0.76	0.7	0.5	1.3	13
9	Kerala	0.68	0.61	0.69	0.77	0.8	0.73	0.84	1.2	1.4	1.4	0.91	16
10	Madhya Pradesh	1.78	1.84	1.7	1.69	2.8	2.17	2.4	1.88	1.8	2.2	2.03	9
11	Maharashtra	1.22	1.29	2.47	1.3	0.98	0.78	0.69	0.75	0.8	0.7	1.1	14
12	Orissa	1.8	2.54	2.05	2.14	5.48	2.42	3	3.16	3.1	2.5	2.82	3
13	Punjab	4.18	3.13	3.45	3.32	2.86	2.36	0.55	0.92	1.0	0.8	2.26	7
14	Rajasthan	1.92	2.01	2.08	1.68	1.71	1.91	2.27	2.64	2.6	2.2	2.1	8
15	Tamil Nadu	1.01	1.1	0.94	1.42	1.05	0.8	0.85	0.88	1.1	0.8	1	15
16	Uttar Pradesh	1	1.94	1.52	1.52	2.6	1.86	1.48	1.66	1.9	1.9	1.74	12
17	West Bengal	0.44	0.48	0.49	1.45	0.61	0.52	0.25	0.31	0.3	0.2	0.51	19
18	NCT Delhi	1.21	1.08	1.15	1.21	1.59	1.66	0.16	0.18	0.2	0.1	0.85	17
19	Puducherry	6.13	5.95	6.23	5.11	4.91	5.67	1.05	7.33	5.7	5.4	5.35	1

Source: Estimated

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The ratio of Own Non - Tax Revenue to Gross State Domestic Product is shown in the table2. From the table 2 it is observed that the Non-Special Category States such as Puducherry (5.35), Goa (12.6) and Orissa (2.82) secured the top three places by having higher ratios which shows better performance, whereas NCT Delhi (0.85), Bihar(0.55) and West Bengal (0.51) showing poor performance with least ratio. And also it is clear that the Special Category States such as Sikkim (35.3), Arunachal Pradesh (9.97) and Nagaland (6.77) stands in the top three places by having higher ratios, whereas Meghalaya (2.11), Uttaranchal (1.28) and Tripura (0.85) showing poor performance with least ratio.

Ratio of Current transfers from centre to Gross State Domestic Product (RP3)

Current transfers from centre, includes share from central taxes and grant-in-aid. Out of the revenue from income tax, estate duty, union excise and additional excise duties, the central government shares a fraction with state government which is known as share from central government which is known as share from central taxes. Both plan and non-plan grants are regarded as grant-in-aid. The ratio of Current transfers from centre to Gross State Domestic Product is one of the revenue performance indicators. Higher the ratio current transfers from centre to Gross State Domestic Product shows the better fiscal performance of a state.

Table 3: Ratio of Current transfers from centre to Gross State Domestic Product (RP3)

S. No.	States	Special Category States											Rank
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2005-15	
1	Arunachal Pradesh	42.2	54	37.6	51.8	48.3	51.9	46.4	43.7	36.8	49.0	46.2	2
2	Assam	12.4	12.9	6.91	14.4	12.7	13	13.5	14.1	12.9	13.3	12.6	10
3	Himachal Pradesh	16.1	16	13.4	12.8	12.4	12.8	13.1	13	10.7	9.4	13	9
4	Jammu & Kashmir	30.5	28.5	24.2	28.3	31.4	30.4	26.5	23.5	20.5	20.5	26.4	6
5	Manipur	39.1	41.7	39	46.6	41.6	53.7	44.9	50.1	45.7	40.4	44.3	3
6	Meghalaya	18.6	19.2	14	19.1	21.5	23.2	20.9	23	21.5	21.1	20.2	8
7	Mizoram	49.8	53.7	38.5	52.4	51.9	48.5	53.2	134	42.2	43.3	56.7	1
8	Nagaland	31.3	35.3	29	32.5	32.4	39	36.4	36.1	33.5	38.0	34.4	4
9	Sikkim	41.5	39.8	29.6	39.7	27.3	22	26.2	24.4	24.3	21.3	29.6	5
10	Tripura	27.1	26.5	21.7	25.7	32.3	24.7	25.8	24.4	23.6	26.5	25.8	7
11	Uttaranchal	10.4	11.4	6.66	8.73	7.49	7.77	7.09	7.17	7.0	6.7	8.04	11

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S. No.	States	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2005-15	Rank
	Non- Special Category States												
1	Andhra Pradesh	4.28	4.59	1.95	4.64	4.55	4.31	4.31	3.71	3.6	7.0	4.29	11
2	Bihar	16.7	18.4	5.13	18	15.8	16.5	15.5	14.2	13.8	15.0	14.9	1
3	Chhattisgarh	6.66	7.41	2.75	7.08	8.04	8.27	7.69	7.3	6.8	7.4	6.94	7
4	Goa	2.18	2.42	0.76	2.35	2.08	3.08	2.12	2.53	2.5	3.6	2.36	16
5	Gujarat	2.46	2.68	1.14	27.1	2.2	2.13	2.26	2.29	2.2	2.4	4.69	10
6	Haryana	2.13	1.89	2	1.95	2.25	2.05	1.82	1.59	1.9	2.0	1.96	18
7	Jharkhand	6.44	8.34	1.99	10.1	11.2	8.65	9.16	8.58	7.5	7.8	7.97	5
8	Karnataka	4	4.48	4.36	4.02	4.52	3.99	4.23	3.94	3.7	3.2	4.04	12
9	Kerala	3.35	3.45	1.24	3.43	2.86	2.78	3.15	2.82	2.9	2.9	2.89	14
10	Madhya Pradesh	7.46	8.69	3.55	8.43	7.8	9.38	9.03	8.83	7.9	8.7	7.98	4
11	Maharashtra	1.84	2.49	1.1	2.58	2.27	2.16	2.17	2.23	2.0	2.1	2.09	17
12	Orissa	8.87	9.21	3.57	9.05	8.74	8.76	9.5	8.15	8.7	9.0	8.35	3
13	Punjab	3.17	2.99	1.39	2.17	2.26	2.41	2.34	2.39	2.5	2.9	2.45	15
14	Rajasthan	5.78	6.17	2.53	6.34	5.42	5.71	5.57	5.29	5.3	6.4	5.45	8
15	Tamil Nadu	3.12	3.13	1.86	3.9	2.97	3.04	3	2.82	2.9	3.2	2.99	13
16	Uttar Pradesh	8.04	9.24	2.25	9.54	9.35	9.77	9.94	9.57	9.9	9.5	8.71	2
17	West Bengal	5.35	4.92	1.62	5.12	4.41	5.15	6.15	5.48	5.0	5.7	4.89	9
18	NCT Delhi	0.44	0.38	0.83	0.99	1.62	1.72	0.66	0.43	0.4	0.5	0.8	19
19	Puducherry	9.73	8.26	8.53	8.98	10.2	7.34	7.03	6.62	5.7	6.1	7.84	6

Source: Estimated

The ratio of Current transfers from centre to Gross State Domestic Product to Gross State Domestic Product is given in the table 3. Non-Special Category States such as Bihar(14.9), Uttar Pradesh (8.71), Orissa (8.35) and Madhya Pradesh (7.98) holds the top places by having higher ratios which shows better performance, whereas Maharashtra (2.09), Haryana (1.96) and NCT Delhi (0.8) showing poor performance with least ratio shown in the table 3. And also from the table 3 it is clear that the Special Category States such as Mizoram (56.7), Arunachal Pradesh (46.2) and Manipur (44.3) stands in the top three places by having higher ratios, whereas Himachal Pradesh (13), Assam (12.6) and Uttaranchal (8.04) showing poor performance with least ratio.

Aggregate Revenue Performance Indicators

By aggregating revenue performance indicators such as the ratio of Own Tax Revenue to Gross State Domestic Product (RP1), ratio of Own Non-Tax Revenue to Gross State Domestic Product (RP2) and ratio of Current transfers from Centre to Gross State Domestic Product (RP3), we can estimate the revenue performance of sub-national governments. Strength of revenue mobilization can be assessed by means of these ratios.

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Table 4: Aggregate Revenue Performance Indicators

S.No.	States	RP 1	RP2	RP3	RP	Rank
	Special Category States					
1	Arunachal Pradesh	4.17	9.97	46.2	60.3	3
2	Assam	5.34	2.3	12.6	20.2	10
3	Himachal Pradesh	5.83	3.22	13	22	9
4	Jammu & Kashmir	6.43	2.51	26.4	35.4	6
5	Manipur	2.56	2.31	44.3	49.2	4
6	Meghalaya	4.25	2.11	20.2	26.5	8
7	Mizoram	2.19	2.83	56.7	61.7	2
8	Nagaland	1.85	6.77	34.4	43	5
9	Sikkim	5.16	35.3	29.6	70.1	1
10	Tripura	3.58	0.85	25.8	30.3	7
11	Uttaranchal	5.96	1.28	8.04	15.3	11

S.No.	States	RP 1	RP2	RP3	RP	Rank
	Non- Special Category States					
1	Andhra Pradesh	7.78	1.95	4.29	14	12
2	Bihar	4.89	0.55	14.9	20.4	2
3	Chhattisgarh	7.34	2.6	6.94	16.9	7
4	Goa	7.12	5.25	2.36	14.7	10
5	Gujarat	12.6	2.43	4.69	19.8	3
6	Haryana	6.99	1.89	1.96	10.8	16
7	Jharkhand	5.04	2.31	7.97	15.3	8
8	Karnataka	9.51	1.3	4.04	14.9	9
9	Kerala	7.82	0.91	2.89	11.6	15
10	Madhya Pradesh	8.17	2.03	7.98	18.2	4
11	Maharashtra	7.05	1.1	2.09	10.2	17
12	Orissa	5.82	2.82	8.35	17	6
13	Punjab	7.16	2.26	2.45	11.9	14
14	Rajasthan	6.52	2.1	5.45	14.1	11
15	Tamil Nadu	8.49	1	2.99	12.5	13
16	Uttar Pradesh	6.95	1.74	8.71	17.4	5
17	West Bengal	4.65	0.51	4.89	10	18
18	NCT Delhi	6.73	0.85	0.8	8.38	19
19	Puducherry	8.19	5.35	7.84	21.4	1

Source: Estimated

An aggregation of these ratios gives the overall revenue performance of sub –national governments. Table 4 reveals that Non- Special Category States such as Puducherry (21.4) stands in the first place by having high aggregate ratio whereas Bihar (20.4) and Gujarat (19.8) stands in the second and third place respectively. Some of the states such as Haryana (10.8) Maharashtra (10.2), West Bengal (10) and NCT Delhi (8.38) showing poor performance with less ratio. From the table 4 it is observed that the Special Category States such as Sikkim (70.1), Mizoram (61.7) and Arunachal Pradesh (60.3) are good performing states by securing the first three places. Some of the states such as Himachal Pradesh (22), Assam (20.2) and Uttaranchal (15.3) are less performing states by securing the last three places with poor ratios.

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L NOOR ASMA & Dr. (MAJOR) P. PRABHAKARAN

Findings and Conclusions:

➤ From the ratio of Own Tax Revenue to Gross State Domestic Product it is clear that the Non-State Domestic Product it is clear that the Non-Special Category States such as Gujarat (12.6), Karnataka (9.51), Tamil Nadu (8.49) and Puducherry (8.19) holds the top places by having higher ratios which shows better performance. Jharkhand (5.04), Bihar(4.89) and West Bengal (4.65) showing poor performance with less ratio.

➤ From the ratio of Own Tax Revenue to Gross State Domestic Product it is clear that the Special Category States such as Jammu & Kashmir (6.43), Uttaranchal(5.96) and Himachal Pradesh (5.83) stands in the top three places by having higher ratios, whereas Manipur (2.56), Mizoram (2.19) and Nagaland (1.85), having less ratio which shows poor performance.

➤ From the ratio of Own Non - Tax Revenue to Gross State Domestic Product it is observed that the Non- Special Category States such as Puducherry (5.35), Goa (12.6) and Orissa (2.82) secured the top three places by having higher ratios which shows better performance. NCT Delhi (0.85), Bihar(0.55) and West Bengal (0.51) showing poor performance with least ratio.

➤ From the ratio of Own Non - Tax Revenue to Gross State Domestic Product, it is clear that the Special Category States such as Sikkim (35.3), Arunachal Pradesh (9.97) and Nagaland (6.77) stands in the top three places by having higher ratios. Meghalaya (2.11), Uttaranchal (1.28) and Tripura (0.85) showing poor performance with least ratio.

➤ The ratio of Current transfers from centre to Gross State Domestic Product to Gross State Domestic Product is given in the table 3. Non- Special Category States such as Bihar(14.9), Uttar Pradesh (8.71), Orissa (8.35) and Madhya Pradesh (7.98) holds the top places by having higher ratios which shows better performance, whereas Maharashtra (2.09), Haryana (1.96) and NCT Delhi (0.8) showing poor performance with least ratio

➤ From the ratio of Current transfers from centre to Gross State Domestic Product it is clear that the Special Category States such as Mizoram (56.7), Arunachal Pradesh (46.2) and Manipur (44.3) stands in the top three places by having higher ratios, whereas Himachal Pradesh (13), Assam (12.6) and Uttaranchal (8.04) showing poor performance with least ratio.

➤ An aggregation of these ratios gives the overall revenue performance of sub -national governments. Non- Special Category States such as Puducherry (21.4) stands in the first place by having high aggregate ratio whereas Bihar (20.4) and Gujarat (19.8) stands in the second and third place respectively. Some of the states such as Haryana (10.8) Maharashtra (10.2), West Bengal (10) and NCT Delhi (8.38) showing poor performance with fewer ratios.

➤ From the overall revenue performance of sub –national governments it is observed that the Special Category States such as Sikkim (70.1), Mizoram (61.7) and Arunachal Pradesh (60.3) are good performing states by securing the first three places. Some of the states such as Himachal Pradesh (22), Assam (20.2) and Uttaranchal (15.3) are less performing states by securing the last three places with poor ratios.

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