GOVERNMENT ARTS AND SCIENCE COLLEGE

NAGERCOIL

DEPARTMENT OF ECONOMICS

III B.A

PUBLIC FINANCE – I

SMEC- 52

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SMEC52

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PUBLIC FINANCE – I

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Preamble : To make the students acquire the adequate knowledge of the nature and characteristics of public finance system in an economy. To provide insights into the formulation and evaluation of effective budgetary policies.

Unit – I : Introduction

Public Finance – Nature and Scope of Public finance – meaning – Distinction between Private and Public Finance – Role of Public Finance in Developing and Developed economics. (15L)

Unit – II: Public Expenditure

Public Expenditure – meaning – Need for Public expenditure – Principle of Public expenditure – Causes of Public expenditure – Reasons for the growth of Public Expenditure in India . (15L)

Unit – III: Public Revenue

Public Revenue – Meaning – Sources of Public revenue – A Detailed study – A study on Indian Public Revenue. (10L)

Unit – IV: Taxation

Taxation – meaning – Classification of taxes – direct and indirect taxes, merits and demerits, Canons of Taxation – Progressive, Proportional – regressive – Goods and Service Tax (GST) – Forms. (10L)

Unit – V: Public Debt

Public Debt – meaning – Need for Public debt – Classification of Public debt – Sources of Public debt – Methods of redemption of Public debt. (10L)

(Total: 60L)

Text Books:

1. **Public Finance – K.P.M.Sundharam**
2. **Public Economics – M.L.Jhingan**

Reference Books:

1. **Public Finance - H.L.Batia**
2. **Public Finance Administration - S.L.Goel**
3. **Public Finance - B.P.Tyagi**

18-8-2020
Tuesday

Public Finance ①

Unit - I

Introduction

Public finance - Nature & scope of Public finance - Meaning Distinction between Private and Public finance. Role of Public finance and development economics.

Unit - II

Public Expenditure

Public expenditure - meaning Need for Public expenditure - Causes of P.E - Reasons for the growth of P.E in India.

Unit - III

Public Revenue.

Public Revenue - Meaning - Source of public Revenue - A detailed study - A study on Indian public Revenue.

Unit - IV

Taxation

Taxation meaning - Classification of taxes - direct and indirect taxes - merits and demerits - Canons of taxation Progressive, Proportional - regressive - goods and services taxes (GST) forms.

Unit - V

Public Debit

Public debt - meaning Need for Public debt - Classification of Public debt. sources of P.D - methods of redemption of P.D.

Unit-I

Definition

Public finance is not process a mechanical one of the fund raising and spending by the government.

It has a well defined objective our goal.

The most important objective is that is used as instruments (or) means social and economic changes in society.

Public finance or fiscal economics has assumed great importance

Public finance is one of those subjects which the adjustment of one to the other.

It is concerned with the cinion and expenditure of the public authorities.

Public is used to signify "government and state".

Public authorities include all sorts of government.

It can be said that it details with the finance of the government Central, state, local.

The subject matter of Public finance is logically, though not slavely concerned with the financial aspects of the business of government.

Types of Public finance.

Types

- Revenue
- expenditure
- debt

It is supposed to deal with the financial aspects of Public bodies our government sector

Public finance to be hotel that there was no unaminity among classical economics scope of the subject.

Revenue aspect of Public finance while Adamsmith gave Proceedence to the expenditure aspect.

A field of enquiry that treats of Income and outgo of government (Fedral, state and local)

In modern time this includes four major divisions

The Public finance or fiscal economics is concerned with the discussion and explanation of the Public authors

The revenue and expenditure process is administrated.

The government is affecting the economic and social aspect of the economy.

Public Finance Means.

- Public finance is specialised branch economics
- The Principal and techniques Obtaining funds and spending the government authorities
- It is concerned with the financial administration

Scope of Public finance

- The function of the state
- The effects of fiscial operation economic life
- Subject matter, of Public finance

Objectives:

Restraining consumption and transferming resources of investments.

Increasing in incentive to save and investment.

Transferming resources in the

Public investment.

Reduce economic in equalities.

Hence, the scope and the importance of Public finance in developing countries is larger.

Objectives of fiscal operators

* To secure adjustments in allocation of ~~se~~ resources.
* To secure adjustments in distribution of income.
* To secure economic stablisation
* To accelerate economic development

Distributive Justice.

Subject Mater of P.E

Public revenue | Public expenditure | Public debt | fiscal administrator

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Difference between Public finance and Private finance.

Definiting

Public finance between denoted the finance of the govt private finance that individual or business finance.

Private finance deals with financial problems and Policies of an individual economic unit.

Similarities

1) Objectives behind the financial activities of the govt and individual of the same viz statisfaction of human wants.

2) Private finance is concerned with the ~~~~ satisfaction of Personal wants or the family or economic ~~~~ unit.

with the essential wants society.

2) Both deal try maximum with both

3) Budg finan

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Public finance is concerned with the satisfaction of the social wants or the collective wants of the society.

2) Both individuals the state finances deal with receipts and expenditure and try to ~~Bto~~ balance each and get the maximum satisfaction.

Obtaining maximum satisfaction with minimum resources into principle both finance.

3) Budgeting has to be done in both finances.

Private finances this is done in very casual our sorry way.

Public finance this is highly a technical process which has to be looked into the according to law of the land.

4) When income falls short or expect expenditure borrowing, becomes essential in both finance.

The individual has to repay the loan with interest. So also the state should redeem the debt in due course.

5) Adjustment of income and expenditure scarce means and unlimited wants.

The consequent discriminating etc.. or the main Problems in the case of Private as well as the public finance.

Dis Similarities

Dis Similarities between Privat finance and public finance or larger.

i) This methods and motives in the financial operations.

ii) Fundamental opreations between to two is that incase the government resources changes in these financial follows in the light of the Policies in the government.

Unit - II

government.

Unit - II

Public Expenditure

Definition

The state has to Perform measures economic social Political functions

It has incur expenditure Perform this functions.

This expenditure incurred by Public authorities.

Control state or local government is Called P.E

It is the expanse incurred by the govt on its various activities

Classification of Public expenditure

P.E generally refers to the expense of Public authorities Central, state and local govt

Other the protecting the citizens or promoting then economic and social welfare.

P.E may be certified the several away

i) The maintanance of the cermonial head of the state and diplomatic representable abroad.

ii) The maintanance of the machinery of civil govt, which includes expenses of the executive and the legislative

iii) The army and Police the protect the country from foreign aggression and to maintain law and other within the country

iv) The administation of justice

v) The industry the etc.

vi) Social child of

vii) Pub rep man

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v) The expenditure on the development of industry supply of currency and conduct the Postal services transports and Ports etc.

vi) Social expenditure on health education child allowances Pensions and other forms of social security and price subsides.

vii) Public debt changes including interest repayment of Principal and cost of management.

Public Expenditure
- Defence expenditure
- Capital expenditure
- economic expenditure
- social expenditure

P.E
- Primary Expenditure
- Secondary Expenditure

The farmer includes all expenditure with must be incurred by every state eg. defence maintanance

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of law and order of civil administration Payment of debt etc.

The remaining items such as education, Public health, Poor relief social expenditure.

Public expenditure basis of benefit into 4 classes.

Public expenditure beneficiary the entire sacety.

eg. administation defence education, Public health transport.

Public expenditure conforring special benefit on certain people.

eg: administration of justice for Poor of seciety.

Public expenditure beneficisies particulary group entire society.

eg: pension, unemployment.

Public expenditure conforring special benefit to some.

eg: Subsidy to particular industry

Cannons Public expenditure

- Benefit
- economy
- sanition
- surplus
- elasticity
- Principles of Productivity
- Principles of Co-Ordination

Public expenditure in India the expenditure union government is divides in to catacaries.

i) Expenditure Revenue Account:

financed out of the receipts of the and other revenues such as contribution from railways Post and telegraphs civil works etc.

ii) Expenditure on Capital Account.

Normal running the government department and various services interest.

generally expenditure which does not result in the creation of assets is treated as revenue expenditure.

Capital Expenditure Account

Market loans

Borrowing by government from RBI

Other Practies.

Loan recived from foreign government and international industries.

Expenditure on capital Account consists of expenditure of all taxes like land building machineries, equipment and investment in shares etc.

Land and advance granted by central government to state government. Government Companies, Corporation and other parties for development Purposes.

The important heads of Capital expenditure budget of the government of India.

- General services
- defence services
- Social and Community services
- loan and advances.

Grow the of Public expenditure of Government of India.

Year	Expenditure on Revenue Account	Expenditure on Capital Account	total
1950 - 1951	346.00	183.00	529.00
1980 - 81	4543.00	9633.25	24176.00
1990 - 1991	73516.00	31782.00	105229.00
1995 - 1996	1,36,861.00	38,414.00	178295.00
1998 - 1999	2,18,139.00	63,773.00	2,81,912.00
1999 - 2000	2,37,109.00	46,895.00	2,37,109.00

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The composition of revenue expend[illegible]

consists

- general service
- defence service
- social and Community
- Currents - in to states

Revenue expenditure according to the budget 1999 - 2000

Major heads	Budget	Revised	Budget
general services including defence services	1,25,723.35	1,31,368.09	1,44,500.[illegible]
social and community	13,962.89	13,577.33	14,705.[illegible]
economic services	46,502.74	46,645.25	44,34[illegible]
Grants and in Other states	28,7827	26,311.21	32,323[illegible]
Total	2,10,062.07	2,18,138,97	2,39,10[illegible]

Capital expenditure of government of India according the budget 1999-2000

Major heads	Budget 1998-1999	Revised 1998-1999	Budget 1999-2000
General Services including defence services	11,543.99	11,189.89	13,564.50
social and community services	1,050.55	1,013.62	1,147.95
loans and advances	10,370.71	7,019.20	9,360.03
economic services	34,589.92	44,253.97	22,495.34
Total Capital expenditure	57,864.98	63,775.86	46,895.12

Unit - III

Public Revenue

Introduction

Types of Public Revenue.

1. Public Revenue
2. Public Reciepts

Main Source of Public Revenue

1. Taxation Tax
2. Fees admini
3. Prices daixand gift
4. fines
5. Special assesment
6. Earings of Public enterprints

Special features of Public Revenue.

i) Its represents an exacsise of taxing Power by the state.

ii) There should be an element of Public Purpose.

iii) The benefit should be capable of appropriating for purpose of special levy.

iv) It relates to only special local

v) Improvements where a group of People are the beneficiaries.

vi) The government Performs a definite Particular act in return.

Classification of Public Revenue.

i) Receipts from Public property.

ii) Receipts from enterprise.

iii) fees for services

iv) Receipts from government monopolies

v) Receipts for voluntary Public loans.

vi) Receipts from special assesments.

vii) Deficit financing

1. Issue for newspaper currency

2. Public expenditure.

viii) Voluntary gifts.

Sources of the Public Revenue.

i) Grands and gifts
ii) Administrative Revenue
iii) Commercial Revenue
iv) Taxes are Compulsary Payments

Public Revenue

1. Tax Revenue
2. Non tax Revenue.

Revenue Receipts

1. under tax revenue
2. non under tax Revenue.

Under tax Revenue.

1. Taxes on income and expenditure Viz. Ex: income tax, Corporation tax bank interest.

ii) Taxes on Property and Capital transaction Viz

Ex: Wealth tax, gift tax, land revenue.

iii) Stamps and registration fees

Taxes on Commodities and services viz

Ex: Import and export duties, Cesses on export, union excise duties and other misselleneous receipts.

Under non-tax Revenue.

1.) Receipts from currency, Co image and mint which Covers of currency.

2) Interest receipts dividends and profit temprising of interest receipts on loans by control Government.

3) The Public sector undertakings and Contributions from railways Post and telegraps

4) Also surplus Profits of the RBI transfored the government.

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5) Other items of tax revenue and under non tax revenue from various government activities

6) Public service commission, jails, Police, agriculture and allied services, industry and minerals, wales and Power development.

7) Transport and communications, supplies and disporals, Public works.

8) Education information and Publicity broad casting grants in aid and contribution etc.

Unit IV

Taxation

Introduction

Adamsmith by saying that he had "Performed noble service in economic though and teaching for over hundred".

Let us discuss the cannon's of taxation as propounded by Adam smith.

Types of Cannons of taxation

1. Cannon of equality
2. Cannon of Certainty ~~fortifinity~~
3. Cannon of Convenience
4. Cannon of economy.

1. Cannon of equality.

* This means that taxation should be imposed on People according to their Capacity to Pay taxes.

* Poor Persons whose income is low should be taxed less and ~~which~~ rich. Persons should be taxed more.

* This cannons involves in the principle of justice

* The subject of every state ought to contribute to every state the support of the government as nearely as Possible in Proportion to their respective abilities ie ' in Proportion to the revenue which they respectively enjoy under the Protection of the state"

* Support of government signifies the Political object of taxation

* The expression Protection of the state notifies the services rendered by the state to it

~~Pep~~ People and ability to pay indicates equitable sharing of the tax burden

2) Cannon of Certainly.

* "The tax which each individual is bound to pay ought to be certain and not arbitiary.

* The time of Payment the manner of Payment the quality treasury of the state".

* The Process should not impair the Productive Powers of the Community.

A) Simplicity.

* A System

* The Cannon of Certainty as ensured through the Publicity of the budget.

* The discussions in the Partment or legistrature on every details of taxation.

* So everyone comes to know certainly about the new tax impossed and the rate of the taxes etc.

* Frequently thinking with tax rates changing the base annually in the budgets will an air of uncertainly among the tax payer.

* Supplementary budgets, mini. Changing the structure of the tax envisaged in the main budget will shake the confidence of the tax p

3) Campon of Convenience.

* "Every tax ought to be levied at the time or in the manner in which it is most likely to be convenient for the contributor the pay"

collected is of duty importe convenie the

4) Canon

so and People above Public impair the

* The income tax is usually collected at source the sales tax is collected at the time of sale of the commodity and the import duty is collected at the time of importing the goods into the country.

* So that payment might be convenient and less burdensome to the tax payer.

4) Canon of economy

* "Every tax ought to be so contrived as both to take out and keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state.

* The process should not impair the productive powers of the community

* The tax laws and procedure should be simple so that the

People might easily understand them and might not have to incur a heavy expense to maintain their account and fill in the tax returns.

A. Simplicity

* A system of taxation should be simple, Plain and intelligible to the common understanding of the tax payers.

* The incidence and effects of tax should be easily traced.

b) Elasticity

* The tax system should yield adequates revenue which should be annual needs of the state.

* Without making any major structural changes the tax system should not be yield more

c) Stability

* Taxes should not be frequently changed

* This will bring about an unsettled condition among the Producers and would not give them time to adjust their Programmes in the lights of the tax Policy of the state.

* This does not mean that the tax system should not be flexiable it should be stable as well as flexiable.

d) Equiality

The most desirable charecteristic feature of tax is that is should be fair to classes of equility are distinguished

1. Horizondal equility
2. Vertical equility

1. ~~Horizontal~~

1. Horizontal Equility

This refers to equal treatment of equal People.

2. Vertical equility

Which refers to treatment of tax Paye[illegible] unequal incomes with the [illegible] degree of the inequality in the rate Obstructure.

e) Beneficial

Taxation should non interf[illegible] with the process of Production the economy. It should be not take away the incentive to save and should not be adversly affe[illegible] the Capital formation.

f) Neutrality

* The tax imposed should avoid distroting the working of the market machanism.

* An individual when the wants to buy a commodity is expected to institute a comparsion of the benefit of his purchase with the cost involves.

* Any taxation on which irrelated to any economic activity will clearly disort this Comparisom of Costs and benefits

* The distortion of Choices which is involved in the process of taxation is known as the excess burden of taxation

g) Economic efficiency

* Kaldor holds the view that the Principle aim of taxation is to restrain Private expenditure

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and they success of the tax should be judged from the angle. The expenditure restraining effects of tax is economic efficiency.

Canons of taxation Relavents to indian Conditions

1. Mobilisation of economic surplus.

2. Taxation according to unused capacity.

3. Income elasticity of taxation.

I. Moblisation of economic surplus.

* It is hold that a country like india where capital formation.

* The economic development have been given to periority moblisation of economic surplus

should be a fundamental Principle of taxation.

* The taxation should be map up a greate Part of the surplus.

II. Taxation according to unsaved Capacity.

* It has been Pointed out that each Person in economy should be made contribute of taxation.

* Taxation in accord once with unused Capacity an ability to Contribute in economies development.

III. Canon income - elasticity of taxations.

* The taxation should be contrived to prevent consumption.

* The share of taxation total income must ↑ as encome rise.

* There must be built in flexability in the tax system.

* The burden involved in economic development distributed equitability

among the different sections of the community.

Characteristics of a good revenue system.

1) Good revenue system is not a collection of isolate acts relating to taxation measures.

2. It must enable to finance minister to frame his budget with their accuracy anticipated revenue yield.

I. Good revenue system as follows:

1. The administration of the revenue system should be a simple.

2. The administration of tax system should not be complex and cumberance.

3. The merit of simplicity by should be criterion.

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II.

1) A tax system which has numbers taxes fit in to the system of whole

2) Direct, indirect tax Progressive and proportional taxes.

3) So that desirable revenue and returns may be without acting Production of consumption.

consumption.

Unit - V

Public Debt.

1) demerit and merit Public debt

2) advantages of

3) budgetory.

Definition.

Public debt types.

General Bank

Commercial Bank

Business Organisation

Individuals.

Classification of debt.

Redeemable and irredeemable debt.

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funded and unfunded debt

Voluntary and compulsary debt

Internal and external debt

Production and unproduction debt

Causes of the growth Public debt

War and preparation of war.

Social and oblications.

Economic development deficit bugets.

Employment and economic statistics

Burden and Public debt

Burden and Public debt

Money Burden and Real Burden

Burden of external ~~at~~ debt

Redemption of debt

Repudiction of Public debt

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Refunding of Public debt.

Conversion of debt.

Provision for repayment of Public debt

Saving fund approach

Surplus revenue.

Terminal attitude

Capital levy.

Borrowing

Central government

State government

Local authorities

Public debt.

Public dept reference to all types of borrowings by the government from the central Bank, Commercial bank, business organisation and the individuals the borrowings of the government may be with is the

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country or from outside the country or both.

Classification, types; kinds.

Public debt may be classified into may catagories depending on the nature and the purpose of the debt. As well as the duration of debt.

On the basis of duration of the loan, debt may be classified as redeemable and irredeemable debt.

On the basis of method of floation of loan debt may be classified as internal debt and external debt.

On the basis of Purpose it may be classified as Productive debt and unproductive debt.

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Redeemble debt :

Redeemble debt loan are there loan for which the government Promised to pay off and some judux redeemble debt when it is a redeemble debt the government hass to made same arrangement for its repayment. It may impose fresh fax or increasing the existing fax tax.

Irredeemble debt

Irredeemble debt loans are those loans for which the goverment does not promise to pay of all some judus debt. In the Irredeemble date the goverment may have to pay only the interest regularly.

Internel debt:

Internal debt refers to loan floated within the country.

If the debt is internal the net income will not get reduced. The Country national income is the same. Hence internal loans do not affect the productivety of nations.

External debt.

External debt refers to the debt obligations due to the foreign government. The Payment of interest on foreign debt reduces the net income foreign loans can be incurred for development Purpose During the Period of was many Country's would be forced to bar the foreign loan.

Productive debt:

Debt incurred for the developing Purpose may be considered as Productive loans may be flooted for construction of railway dam or Power Project etc.

Classification of Public debt:

Public debt may be classified into many ~~ca~~ catagories depending on the native and purpose of the debt.

As follows the duration of debt

On the basis of the period of the loan debt may be classified as permanent ~~dt~~ debt and redeemble debt and also long term debt and short term debt.

On the basis of the method of flotation of loans debt can be classified as internal debt and external debt.

On the basis of purpose it may be classified as productive method or productive method or development debt or war debt un productive debt is ~~to~~ called dead weight debt.

Budgetary Procedure in India

Sound financial administration is sound budgetary Procedure. It means that budgeting and budgetary procedure are the most important constituent of the financial administration. It involves four different operations which have been given as follows.

* Preparation of the budget
* Enactment of the budget
* Excussion of the budget
* Parlimentary of Control of the budget.

Preparation of the budget

In India the budget is the annual Financial statement of accounts for the Proceeding and current year and the estimates of the revenue and expenditure of the comming year. In Indian budget from 1st April and ends on 31st March. The finance ministry is responsible for framing the budget of the Indian government.

Administrative ministres and heads of the department are supplied From on which these asked to Prepare the estimated. The departmental officials Prepare the estimates for the coming financial Year.

The Prescribed from four different Column.

* Actual of the previous year.
* Sansantioned estimate for the current year.
* Revised estimate for the current year.
* Budget estimate for the next year.

These estimates are then consolidated by the ministries. Consaned

(10) the finance ministry

and Post on all these

The finance Consolidate

estimates and Prepares the budget

for the Presentation before the

Parlement.

Enactment of the budget.

The central government could rise revenue incur expenditure revenue and incured expenditure with the approval of the budget Vidhansafe and vedhan Parishadh.

In the inagral speech of the budget system the President makes a reference that the annual financial statement will be Presented in the house. The finance ministre Presend the budget in Parlement usual on the last day of February. The day of the Presentation of the budget is called as " budget day"

There is no discussion on the budget on the day on which it is Presented to the house. ~~The time and day the swetter discussion ~~are~~ fixed by the swetter~~

The time and day for discussion are fixed by the swetter discussion takes Place in the house. No ieme of expenditure is exceeded from general discussion. The general discussion is continued upon matters related is Physical Policy.

After the budget is Passed in the lock saffa. it then goes to Rajyassaffa. The Rajya saffa does not enjoy the Power of amounting are rejecting of the budget. The Rajyasaffa can make of recommendation of the lock Saffa. but ~~within~~ with in the Period of 14 days. The lock Saffa may

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either accept the recommendation of Rajyasabha.

Excussion of the budget.

The responsability to the excussion the budget lies upon the government. It is expected from the goods that it will execute the bu with a high degree of integrity and efficiency.

The execution of the budget there aspects namely distribution of grants to different administrative ministries or departments collection of revenue Proper custody of collected fund etc.

After the approval of the budget the finance ministry communication to each administrative ministry of finance distribution the sanctional funds among the various controlling

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Collection of revenue is an importants step towards budget collection. It involves two kinds of operative ~~assertive~~ assesment of revenue and collection of revenue.

After collection next thing is the custody of government funds. There is a district treasury in each district of the country which is the units of the fiscal system of there country

Parlimentary Control over finance

In democratic countries the alternate control over Public expenditure is excursied by the Parliments. In India Parliments excercised control over public expenditure through the institutions:

* Direct control by the Parliments.

* Control by Parlimentary Committees

* The audit department under the control comtroller and auditor general of India.

Qualities of a good budget / Characteristic or Features.

A sound budget should Posses the following Characteristics

Responsibility

To Prepare the budget there should be the responsibility of some well defined authority. In USA the budget is Prepared by the budget under the direction by Presidents. In India UK and most Other Countries the budget is Prepared by the Finance Minister

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Comprehensiveness:

The budget should be comprehensiveness that is it should show the entire financial Position of the government in broad details and all sorts of explanatory statements

Flexibility

A good budget should have certain degree of flexability and should avoid too much rigidity with regard to its detailed allocation.

Reliablity

The information on which the budget estimates are based should as much reliable as possible.

Integrity

A good budget should involve the assume that the fiscal Programme as enacted carried out substantially

14th Finance Commission

The 14th Finance Commission has submitted the report to the president Prannap mugarji. The Commission is headed by formeo Reserve Bank of India government Y.V. Reddy Finance Commission in its report has given there views on divotion of tax reciept from the center to the state from 1st April 2018 to 31st march 20[illegible]

Earlies the finance commission as appointed the January in to give its report by October 31st of that year. But its tensure was extended till December 31st as they has sought to more moths extension Period to examine Financial Projection

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the Andra Pradhesh and Telugana government It was also into the goods and service tax.

This report will be a levy input in the Preparation of the union budget 2015-16 union government has accepted the recommendation of the 14th Finance Commission. The accepted recommendation are foor the five year Period 2015-16 to 2019-20.

Key Facts / Features

The Share of states in the Centre net tax receipt will go up by 1 lakhs 78 thousand crores in 2015-16. It is the largest every change in Percentage of devotion.

Higher tax devolution will allows states greater autonomy in Financing and designing of schemes as per there needs and requirement.

Finance ... states ...
identified revenue deficit ... granted them rupees 48906 crores as additional resources for the year 2015 ...

Finance Commission in India

S.No	Finance Commission	Year of establishment	Chairman	Operation duration
1	First	1951	K.C Nengy	1952 - 57
2	Second	1956	K. Sandhanam	1957 - 1962
3	Third	1960	A.K Chanda	1962 - 1969
4	Fourth	1964	P.V Rajamohan	1966 - 1969
5	Fifth	1968	Mahaveer Tyagi Reddy	1969 - 1974
6	Sixth	1972	K. Bramanatha	1974 - 1979
7	Seventh	1977	J.M Shelat	1979 - 1984
8	eighth	1983	Y.B Chavan	1984 - 1989
9	Ninth	1987	N.K.P Set salve	1989 - 1995
10	Tenth	1992	K.C Barath	1995 - 2000
11	Eleventh	1998	AM Kushro	2000 - 2005
12	twelth	2008	Vijay	2005 - 2010
13				
14	Fourteen	2013		

13th finance Commission

The 13th Finance Commission of India was constituted by the president of India under the Chairmanship of Vijay L on 13th November 2007

The major Recommentation of the Commission

The share of states in the net Proceeds of the shareable central taxes should be 32%. This 1.5% Periods higher than the recommendation of the 18th Commission

Revenue deficit to be Progressively reduced and eliminated followed by revenue surplus by 2013-14

Physical definict to be reduces to 31 of the groups domestic produced (GDP) by 2014-2015

A targest of 68% of

4 Foresters 2013

GDP for the combained detail by of Centre and states.

The medium team Fiscal Plan (MTFP) should be reformed.

Physical responsibility and budget management act 2003 need to be amended.

Both centre and states should conclude grand Bargain implement the model goods and services Acts (GSA).

States need to address the Problem of losses in the Power sector.

An amount of Rs 24068 Crores has been recommended as grant for elementary education.

An Amount of Rs 27945 Crores has been recommended for state specific needs.

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Amount of Rs 5000 crores have been recommended for forest renevable energy and water sector management.

The national calamity ~~Contingency~~ contingency fund (NCCF) Shall be merged with the national disaster response fund and the calamity relief fund (CRF) with the state disaster response funds (SDRFS) of the respective states.

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