

Lowering of Revenue Deficit

2258. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that revenue deficit has been brought down by 19 per cent or about Rs. 18,500 crore to Rs. 79,558 crore, if so, how Government propose to wipe out its revenue deficit by 2008-09 as is its avowed aim;

(b) whether the Kelkar Task Force's blue-print for improving direct tax collection and reducing leakages, calling for simpler procedures and fewer exemptions will be implemented; and

(c) whether Government propose to correct imbalance on expenditure side as done on exemption side by scrapping Section 80 and 80L of Income Tax Act?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The Revenue Deficit in 2003-04 was Rs. 98,262 crore and it was reduced to Rs. 79,558 crore in 2004-05. Revenue Deficit is sought to be eliminated over a five year period ending 2008-09, as contemplated in the Fiscal Responsibility and Budget Management Act, 2003 and the National Common Minimum Programme. Government's plans to achieve this goal have been spelt out in the Medium Term Fiscal Policy Statement, Fiscal Policy Strategy Statement and the Finance Minister's Statement under Section 7 of the FRBM Act, presented to both the Houses of Parliament alongwith the General Budget 2005-06. The plans, *inter alia*, include measures for simplification of tax system and rationalization of expenditure management as part of the Government's strategy to achieve the goal of elimination of revenue deficit by 2008-09.

Collection of Revenue

†2259. SHRI AJAY MAROO: Will the Minister of FINANCE be pleased to state:

(a) the changes noticed in collection of revenue during first three months after the implementation of VAT;

(b) whether figures in this regard have been submitted by the States where VAT is in force;

(c) if so, the details thereof;

†Original notice of the question was received in Hindi.

(d) whether any discussion has been held with the States which have not implemented VAT; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) A Table indicating the position of tax revenues of various States during the first quarter of the current financial year, *vis-a-vis* the corresponding period of the last year is given at Statement (See below).

(d) and (e) As VAT is a State subject, and discussion in this regard is to be held by the Empowered Committee of State Finance Ministers. The Central Government will continue to play the role of a facilitator.

Statement

Position of Tax Revenue of VAT implementing States/UTs

(Rs. in crores)

Sl.No.	State/UT	Tax Revenue during First Quarter of 2004-05	Tax Revenue during First Quarter of 2005-06	Growth Rate (2005-06 over 2004-05)
1	Andhra Pradesh	2334.59	2412.62	3.3%
2	Arunachal Pradesh	6.20	7.51	21.1%
3	Assam	227.52	242.83	6.7%
4	Bihar	269.41	231.83	-13.9%
5	Dadra and Nagar Haveli	16.31	27.25	67.1%
6	Daman & Diu	20.06	24.16	20.4%
7	Delhi	1208.65	1509.65	24.9%
8	Goa	134.14	187.14	39.5%
9	Himachal Pradesh	120.99	149.48	23.5%
10	Jammu & Kashmir	138.10	150.35	8.9%
11	Karnataka	2161.30	2758.96	27.7%
12	Kerala	1136.33	1206.31	6.2%
13	Maharashtra	2390.67	2611.44	9.2%
14	Manipur	—	—	—
15	Meghalaya	—	—	—
16	Mizoram	3.87	9.75	151.9%
17	Nagaland	4.90	7.41	51.2%
18	Orissa	231.21	315.15	36.3%
19	Punjab	778.73	1082.45	39.0%
20	Sikkim	8.86	8.77	-1.0%
21	Tripura	31.37	33.89	8.0%
22	West Bengal	961.10	1073.86	11.7%
TOTAL		12184.31	14050.81	15.3%

Notes:

1. This Statement contains tax revenue figures of 22 States/UTs that have implemented VAT during 2005-06.

2. The Tax Revenue figures are provisional and are subject to revision during AG reconciliation.

3. The Tax Revenue figures are gross figures, including collection from non-VAT item.

4. The Tax Revenue figures from Manipur are not yet available since the State implemented VAT from 1 July, 2005 only. The same will be available from Sept., 2005 onwards.

5. The figures from Meghalaya are not yet available as they have a system of Quarterly Returns. Hence, information will be available in later part of this August, 2005 only.

Island special allowance

2260. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Island special allowance is given to the Central Government employees in Andaman Nicobar Islands as a percentage of basic pay without any maximum limit;

(b) whether the officers/employees of Nationalized Banks are getting the Island special allowance with the maximum limit of Rs. 1500/- per month; and

(c) what are the reasons for this limit in case of banks and by when Government propose to remove it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) The Officers of Public Sector Banks who are posted from outside to Andaman and Nicobar Islands are paid *ad-hoc* and temporary incentive subject to a maximum of Rs. 1500/- per month.

(c) The pay and allowances of bank employees cannot be compared with that of Government employees. At present there is no proposal to remove the maximum limit of Rs. 1500/- per month.