

DIRECT TAXES: FOR EVERY RE IN GOVERNMENT KITTY, 70 PAISE COMES FROM DIRECT, INDIRECT TAXES

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

NEW DELHI: For every rupee in the government coffers, 70 paise will come from direct and indirect taxes, while the government will spend 23 paise towards state's share of taxes and duties.

According to the Budget 2019-20 presented in Parliament by Finance Minister Piyush Goyal, for every rupee earned, the collection from Goods and Services Tax (GST) has been pegged at 21 paise as a percentage of every rupee earned, amounting to the single largest source of revenue.

The collection from borrowing and other liabilities will be 19 paise, while mobilisation from Union Excise duty will be 7 paise.

The government intends to earn 8 paise from non-tax revenue like disinvestment, while it plans to mobilise 3 paise from non-debt capital receipts.

Similarly, tax mobilisation from corporation tax has been fixed at 21 paise.

Income tax mobilisation for the next fiscal has been increased to 17 paise. The government will earn 4 paise from custom in the next fiscal.

On the expenditure side, the biggest component is states' share of taxes and duties at 23 paise and interest payment of 18 paise.

Allocation towards defence has been reduced to 8 paise from 9 paise last year.

Expenditure on central sector scheme will be 12 paise, while allocation for centrally sponsored scheme will be 9 paise.

The expenditure on Finance Commission and other transfers is pegged at 8 paise.

Similarly, expenditure on subsidies and pension are respectively pegged at 9 paise and 5 paise.

The government will spend 8 paise on other expenditure.

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