

FOR EVERY RUPEE IN GOVERNMENT KITTY, 64 PAISE COME FROM 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 coffer, 64 paise will come from direct and [indirect taxes](#), while states' share of [taxes](#) and duties is the single-largest expense head accounting for 20 per cent of the total spending, Budget documents showed.

According to the [Union Budget](#) 2020-21 presented in Parliament by Finance Minister [Nirmala Sitharaman](#) on Saturday, goods and services tax collections will contribute 18 paise in every rupee revenue.

Corporation tax will contribute 18 paise to each rupee earned.

The collection from borrowings and other liabilities will be 20 paise, while income tax will yield 17 paise to every rupee collection.

The government intends to earn 10 paise from non-tax revenue like disinvestment, 7 paise from Union excise duty, 4 paise from customs duty and 6 paise from non-debt capital receipts out of every rupee collection.

On the expenditure side, the biggest outlay component is the states' share of taxes and duties at 20 paise, followed by interest payment at 18 paise.

Allocation for the defence has been reduced to 8 paise from 9 paise.

Expenditure on central sector schemes will be 13 paise, while the allocation for centrally-sponsored schemes will be 9 paise.

The expenditure on the Finance Commission and other transfers is pegged at 10 paise. Subsidies and pension would account for 6 paise and 6 paise, respectively, in each rupee spending.

The government will spend 10 paise on other expenditure.

NEW DELHI: For every rupee in the government coffer, 64 paise will come from direct and [indirect taxes](#), while states' share of [taxes](#) and duties is the single-largest expense head accounting for 20 per cent of the total spending, Budget documents showed.

According to the [Union Budget](#) 2020-21 presented in Parliament by Finance Minister [Nirmala Sitharaman](#) on Saturday, goods and services tax collections will contribute 18 paise in every rupee revenue.

Corporation tax will contribute 18 paise to each rupee earned.

The collection from borrowings and other liabilities will be 20 paise, while income tax will yield 17 paise to every rupee collection.

The government intends to earn 10 paise from non-tax revenue like disinvestment, 7 paise from Union excise duty, 4 paise from customs duty and 6 paise from non-debt capital receipts out of

every rupee collection.

On the expenditure side, the biggest outlay component is the states' share of taxes and duties at 20 paise, followed by interest payment at 18 paise.

Allocation for the defence has been reduced to 8 paise from 9 paise.

Expenditure on central sector schemes will be 13 paise, while the allocation for centrally-sponsored schemes will be 9 paise.

The expenditure on the Finance Commission and other transfers is pegged at 10 paise. Subsidies and pension would account for 6 paise and 6 paise, respectively, in each rupee spending.

The government will spend 10 paise on other expenditure.

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

CrackIAS