

Absence of govt hit tax collection

The Aam Aadmi Party government on Thursday presented a Rs.41,129 crore budget, including Rs.19,000 crore for planned expenditure for the 2015-16 fiscal for Delhi. Of this, Rs.4,570 crore has been earmarked for the education sector under the plan head.

The allocation to education is 106% more than the previous financial year.

Health has also received the second highest allocation of Rs.3,138 crore, followed by transport (3,695 crore), which is 23% more than the allocation of 2014-15. Tax on DTH and registration of vehicles belonging to private firms has also been increased.

A total of Rs.1,690 crore has been set aside to provide 50% reduction in power bills and 20,000 litres of free water, a key promise of AAP government. While Rs.19,000 crore has been proposed for plan expenditure Rs.22,129 crore has been set aside for non-plan expenditure.

The first full-fledged budget of the government was presented by finance minister Manish Sisodia, who described it as the first 'swaraj budget' in the country. In the previous year, when Delhi was under the President's Rule, union finance minister Arun Jaitley had presented a Rs.36,776 crore budget for the 2014-15 fiscal for Delhi.

The total budget of Rs.41,129 crore is 18% higher than the revised estimates of Rs.34,790 crore in 2014-15.

Stating that the absence of a democratically elected government affected tax collection, Sisodia said that while the gross state domestic product (GSDP) of Delhi at current prices in the financial year ending March 31, 2015 is Rs. 4,51,154 crore showing a growth of 15.25% over previous year; tax collection grew only by a meagre 2.64%. "Tax collection was only Rs. 26,604 crore in 2014-15 against Rs.25,919 crore during 2013-14. The negative growth of real estate sector is also one of the reasons for an adverse impact on the collection of stamps and registration fee," said Sisodia.

Sisodia said that the proposed total expenditure of Rs.41,129 crore will be financed mainly from their tax revenue of Rs. 34,661 crore, Rs.1,127 crore from non-tax revenue, Rs.381 crore from capital receipts, among others.

Sisodia further said that the Fourteenth Central finance Commission has recommended increased devolution of Central taxes to states from 32% to 42%. "Delhi being excluded from the terms of reference of the Finance commission is deprived of the benefit from this recommendation, although Delhi has a separate consolidated fund like other states and all financial transactions of the government are met from its own resources. Has this recommendation been applied to Delhi, then Delhi would have received approximately Rs. 25,000 crore during the award period (2015-20)" said Sisodia.

(Hindustan Times)