

Publish Once, View Everywhere

**INTERNATIONAL ONLINE
MULTIDISCIPLINARY JOURNAL**

Journal Name : Review of Research

ISSN No : 2249-894X

Impact Factor : 5.2331(UIF)

Volume - 7 | Issue - 3 | December - 2017

**Research Paper : TRENDS IN REVENUE INCOME FOR THE STATE OF
MAHARASHTRA**

Research Scholar : Dr. G. H. Barhate

Dr. G. H. Barhate

Associate Professor and Head of Department of Commerce,
C.D. Jain College of Commerce, Shrirampur.



REVIEW OF RESEARCH

ISSN: 2249-894X
IMPACT FACTOR : 5.2331(UIF)
VOLUME - 7 | ISSUE - 3 | DECEMBER - 2017



TRENDS IN REVENUE INCOME FOR THE STATE OF MAHARASHTRA

Dr. G. H. Barhate

Associate Professor and Head of Department of Commerce,
C.D. Jain College of Commerce, Shirampur.

ABSTRACT:-

Role of state governments over a period of time has shifted from doer to facilitator for the economic development of respective states. As rightly pointed out by Wagner, an increase in states activity results in corresponding rise in government expenditure which needs to be financed from some or the other sources owing to states role of performing various functions. Receipts for government are primarily raised through revenue receipts and capital receipts. Revenue receipt forms an important component for the state governments considering its recurring nature. State of Maharashtra, one of the industrialized states in India has registered an average rise of 185% (1990-2015) in collection of revenue receipts. However the challenge remains arresting the falling share of tax revenue numbers in percentage terms which is only 76% (averaged for the year 1990-2015). This paper is an attempt to review the revenue receipts for the state of Maharashtra and indentify the movers and shakers.

KEYWORDS: Revenue Income, Maharashtra

INTRODUCTION:

Study of state finance for Maharashtra, would be incomplete without understanding the pattern of revenue receipts for the state of Maharashtra. Revenue collection plays a vital role which is base for various developmental and non developmental expenditure. It also reflects a level of efficiency of tax collection numbers. Revenue Receipts which comprises of tax and non tax revenue also reflects the various sources of revenue for the state.

OBJECTIVE:

The objective of this paper is to study the revenue income for the state of Maharashtra.

DATA SOURCES:

The study is entirely based on secondary data. The data is extracted from economic survey of Maharashtra, data table from RBI website and various other published sources.

CORE DISCUSSION:

Revenue and expenditure are two important pillars for any business, public institutions, and economies around the globe. It is a barometer to measure the efficiency in dual capacity one as collection

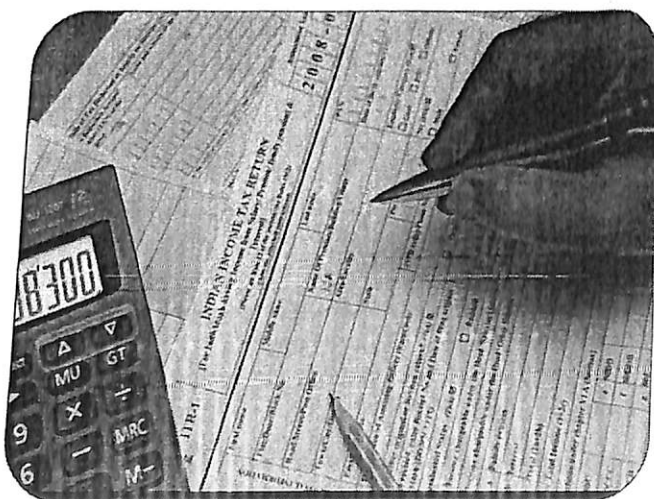
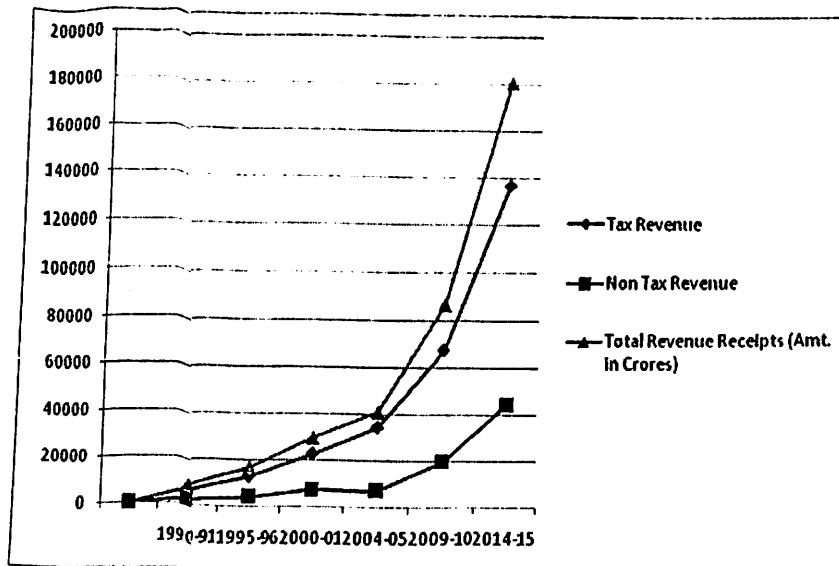


Chart 1: Revenue Receipts for the state of Maharashtra



Source: Table 1

It is clearly evident from above chart that Revenue receipts for the state of Maharashtra is largely dependent on tax revenue which contributes a major share in the total revenue receipts. The trend clearly indicates that 2004-05 was the starting point of tremendous growth in numbers.

Table 2: Revenue Receipts for the State of Maharashtra

Year	Tax Revenue (Amt. in Crores)	Percentage to Total Revenue Receipts	Non Tax Revenue	Percentage to Total Revenue Receipts	Amount in Crores
1990-91	6109	70	2,590	30	8,699
1995-96	12612	76	3,947	24	16,559
2000-01	22508	76	7,059	24	29,567
2004-05	34201	83	6,812	17	41,013
2009-10	67354	77	19,556	23	86,910
2014-15	136615	76	44,179	24	180794

Source: Economic Survey of Maharashtra, various issues

It is clearly evident from table 2 that revenue receipts of Maharashtra are totally dependent on tax revenue. The Contribution of tax revenue to total revenue receipts was 70 % in the year 1990-91 which further improved to 76% in 1995-96 and 2000-01. Tremendous rise in contribution was seen for the year 2004-05 where its contribution was 86% to total revenue receipts of the state. However this momentum couldn't be sustained and contribution fell to 77% and 76% for the years 2009-10 and 2014-15 respectively.

The average contribution of tax revenue to total revenue receipts for the state of Maharashtra from 1990-2015 is 76%.

Further looking at the numbers for non tax revenue it is clearly evident that the contribution of non tax revenue to total revenue receipts for the state of Maharashtra was 30% (Rs 2590 Crores) in 1990-91 which further declined to 24 % (Rs 3947 Crores) in 1995-96 and Rs 7059 Crores in 2000-01. The contribution saw tremendous fall in next five year where non tax revenue contribution stood at 17% (Rs 6812 Crores) for the year 2004-05. The very next five year improvement was registered with 23% and 24% contribution visible in the year 2009-10 and 2014-15 respectively.

The average contribution of non tax revenue to total revenue receipts for the state of Maharashtra from 1990-2015 is 24%.

Source: Table 3

Table 4: Maharashtra Own Tax Revenue

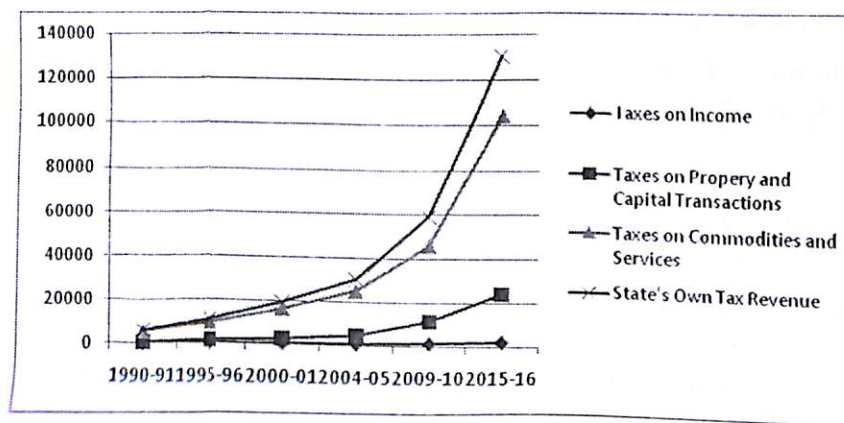
Year	Amount in Crores			
	Taxes on Income	Taxes on Property and Capital Transactions	Taxes on Commodities and Services	State's Own Tax Revenue
1990-91	190.71	348	5,223	5761.94
1995-96	330.6	1,357	9,247	10934.45
2000-01	942.21	2,418	16,365	19724.28
2004-05	1076.57	4,477	25,052	30605.75
2009-10	1612	11,488	46,006	59106
2015-16	2309	24,200	104066.6	130576.22

Source: Economic Survey of Maharashtra, various issues

It is evident from table that Maharashtra own state revenue income is dependent on taxes on commodities and services. In the Year 1990-91 States Own tax revenue 91% was contributed by taxes on commodities and services which is declining slowly but still holds a major share in states own tax revenues. The contribution of taxes on commodities and services to the Maharashtra states own tax revenue stood at 85% in 1995-96, 83% in 2000-01, 82% in 2004-05, 78% in 2009-10 and 80% in 2015-16.

Average contribution of taxes on income, taxes on property and capital transaction and taxes on commodities and services to states own tax revenue from 1990-2015 stands at 3.19%, 13.88% and 82.93% respectively.

Figure 3: Maharashtra Own Tax Revenue



Source: Table

Taxes on Income

Taxes on income which on an average contributes 3.16% to Maharashtra's own tax revenue collects it from two sources

- a) Agricultural Income Tax and
- b) Taxes on Profession, Trades, Callings and Employment.

Since Agriculture is not taxed, the contribution of agricultural income tax is nil for most of the years and negligible amounts for some years from 1990-2015.

Taxes on Profession, Trades, Callings and Employment contributes 100% to Taxes on Income.

Table 7: Taxes on Property and Capital Transactions

Year	Land Revenue (In Crores)	Stamp and Registration Fees (In Crores)	Taxes on Property and Capital Transactions (In Crores)
1990-91	61.64	286.39	348.12
1995-96	120.52	1,235.98	1,356.5
2000-01	214.72	2,200.92	2,417.55
2004-05	360.72	4,116.48	4,477.2
2009-10	714.04	10,773.65	11,487.69
2015-16	3,200	21,000	24,200.15

Source: Economic Survey of Maharashtra, various issues

It is clearly evident from table that states own tax revenue under the heading of taxes on property and capital transactions is majorly collected from stamp duty and registration fees. On an average land revenue contributes 10.50% and Stamp and registration fees contributes around 89.50% to the taxes collected from property and capital transactions.

Taxes on Commodities and Services

This head contributes maximum to Maharashtra's own tax revenue. It is evident from the following table that taxes collected on commodities and services contributed around 91% to Maharashtra own tax revenue in the year 1990-91, which fell down to 84.57% in the year 1995-96, 82.97% by the year 2000-01, 81.85 % by 2004-05, 77.84% by 2009-10 and 79.70 by the year 2015-16.

Table 8 : Taxes on Commodities and Services and State's Own Tax Revenue

Year	Taxes on Commodities and Services (In Crores)	State's Own Tax Revenue (In Crores)
1990-91	5,223	5,761.94
1995-96	9,247	10,934.45
2000-01	16,365	19,724.28
2004-05	25,052	30,605.75
2009-10	46,006	59,106
2015-16	1,04,066.6	1,30,576.22

Source: Economic Survey of Maharashtra, various issues

The average contribution of taxes collected through commodities and Services to the Maharashtra's own tax revenue is 82.93%.

The sub-heads that together contribute to this head are as follows:

- a) Sales Tax
- b) State Excise
- c) Taxes on Vehicle
- d) Taxes on Goods and Passengers
- e) Taxes on duties on electricity
- f) Entertainment Tax
- g) Surcharge and Cess on Sugar cane
- h) Other taxes and duties

Source: Economic Survey of Maharashtra, various issues.

It is evident from table that total sales tax is collected by state of Maharashtra, lion share of it is contributed by State Sales Tax which was around Rs 2385.87 Crores (75.16%) to total sales tax collection in the year 1990-91, Rs 4635 Crores (67.73%) in 1995-96, Rs 7203.41 Crores (59.06%) in 2000-01, Rs 11371.2 Crores (60.43%), Rs 30,047.58 Crores (91.96%) and Rs 68,730.10 Crores (92.11%) in 2004-05, 2009-10 and 2015-16 respectively.

It is also evident that collection of state sales tax shown tremendous rise of more than 100% every five year between 2004- 2016. It will be not incorrect to conclude saying that total sales tax collected for the state of Maharashtra is dependent on its own sales tax collection.

The contribution of collection central sales tax is showing signs of gradual decrease when compared to total sales tax collection. The contribution in percentage terms was 19.59% in the year 1990-91 which drastically reduced to 15.29% by 2000-01, 7.67% by 2009-10 and 6.34% by 2015-16.

However a opposite trend is notice in collections from sales of motor spirit and lubricants for the state of Maharashtra can be noticed. The contribution is rising at a good pace. Figure for the year 2009-10 and 2015-16 were not available. Hence nothing concrete can be concluded from its contribution to Maharashtra's total sales tax revenue.

Contribution of other receipts to total sales tax figures are miniscule when compare to total sales tax collection for the state of Maharashtra and are in range of 0.03 % to 1.65% from 1990s-2015.

state Excise

State Government levies a tax on production and manufacturing of goods that are produced within its geographic boundaries.

Maharashtra is considered one of the developed states when it comes to industrialization which is reflected in higher collection of state excise duty reflected in its collection numbers.

Table 11 : Excise Collection for the state of Maharashtra

Year	Amt in Crores	Year	Amt in Crores
1990-91	542.31	2003-04	2324.42
1991-92	600.88	2004-05	2218.87
1992-93	689.74	2005-06	2823.85
1993-94	903.16	2006-07	3300.7
1994-95	944.37	2007-08	3963.05
1995-96	1070.91	2008-09	4433.76
1996-97	1068.5	2009-10	5056.63
1997-98	1650.88	2010-11	5961.85
1998-99	1748.74	2011-12	8605.47
1999-00	1875.68	2012-13	9297.11
2000-01	1779.51	2013-14	10101.12
2001-02	1787.26	2014-15	11500
2002-03	1938.69	2015-16	13500

Source: Economic Survey of Maharashtra, various issues

It is evident from table __ that revenue collected as excise duty is growing at a rapid pace in the state of Maharashtra's status as one of the advanced and progressing state in terms of industrialization.

Taxes from Goods and Passengers, Taxes and Duties on Electricity, Entertainment Tax and Other Taxes and duties

State government of Maharashtra also collects taxes from goods and passengers, electricity, entertainment and other taxes and duties. Following table gives a snapshot of collection numbers from the said sources.

Table 13: Taxes collected by Govt of Maharashtra under the head Commodities and Services

Year	Goods and Passengers	Taxes and Duties on Electricity	Entertainment Tax	Other Taxes and Duties
1990-91	201.85	277.5	713.6	109.11
1995-96	248.35	357.12	96.18	207.28
2000-01	100.23	933.59	200.92	368.04
2004-05	427.75	1673.76	246.48	491.25
2015-16	1150	7150	658.13	1298.03

Source: Economic Survey of Maharashtra, various issues.

It is evident from table 13 that collection of taxes on goods and passengers was Rs 201.85 Crores which grew to 248.35 Crores by 1995-96, which declined in very next five years amounting to Rs 100.23 Crores in the year 2000-01, Rs. 427.75 Crores in 2004-05, Rs 1150 Crores in 2015-16.

Collection of taxes on electricity amounted to Rs 277.5 Crores in the year 1990-91, Rs 357.12 Crores by 1995-96, Rs 933.59 Crores in 2000-01, Rs 1673.76 Crores in 2004-05, Rs 4730 Crores in 2009-10, Rs 7150 Crores by 2015-16.

Likewise State Government of Maharashtra also collects taxes from Entertainment Sector which was Rs 713 Crores in 1990-91. Collection from this head has shown wide fluctuations with decrease and rise in collection figures. The taxes collected as entertainment tax for the year 2015-16 stood at Rs 658.13 Crores.

Government also received taxes from several other sources which amounted to Rs 109.11 Crores in 1990-91, Rs 368.04 Crores in 2000-01, Rs 833 Crores by 2009-10 and Rs 1298.03 Crores by 2015-16.

State of Maharashtra's share received from central taxes

State of Maharashtra receives share in taxes that are collected by central government. The following table captures the trend in it.

Table 14: Government of Maharashtra share in Central taxes

Year	Amount in Crores
1990-91	989.86
1995-96	1677.47
2000-01	2783.67
2004-05	3595.03
2009-10	8248.11
2015-16	29120.45

Source: Economic Survey of Maharashtra, various issues

It is evident from table 15 that Non tax revenue which accounted for 42% in 1990-91 share in total revenue receipts for the state of Maharashtra has dropped to 31% in next five year i.e in 1995-96 amounting to Rs 3947.36 Crores. The fall was arrested during next five year in which the contribution jumped to Rs 7058.97 Crores by 2000-01 however contribution in percentage terms changed by 0.05 at 31.36%.

Next five year tremendous fall in the share of non tax revenue is noticed amounting to Rs 6812.55 Crores with percentage contribution to total revenue receipts at 19.91% only. However by next five year numbers improved and so the percentage contribution to the total revenue receipts for the state of Maharashtra was Rs 19,555.8 Crores in 2009-10 with percentage contribution of 29.03%. The contribution of total non tax revenue receipts to total revenue receipts for the state of Maharashtra for the year is Rs 38,533.84 Crores with 24.12% contribution to total revenue receipts for the state of Maharashtra.

Receipts from Non Tax Revenue is majorly from four heads

- a) Interest Receipts
- b) Dividends and Profits
- c) Central Grants &
- d) Other Non tax revenue in the purview of state which includes collections from General services, Social services, Fiscal services and Economic Services.
 - General Services includes collection from state lotteries
 - Social Services includes collection from education, sports, arts, culture, Medical, public health, Family welfare, housing, Urban development, Social security, welfare, Water Supply, Sanitation, etc.
 - Fiscal Services &
 - Economic Services which includes various economy activities like Agriculture, Cooperation, Fisheries, Power, Industries etc.

Table 16: Non Tax Revenue for the state of Maharashtra

Year	Interest Receipts	Dividend & Profits	Grant from Central Govt.	Other Receipts	Total Non Tax Revenue
1990-91	658.55	8.75	795.27	1126.89	2589.46
1995-96	1271.21	4.16	1171.97	1500.02	3947.36
2000-01	3161.63	3.95	1462.71	2430.68	7058.97
2004-05	737.46	26.73	2693.72	3354.64	6812.55
2009-10	1342	80.88	11203.23	6929.74	19555.8
2015-16	2973.7	112.25	17868.97	17578.92	38533.84

Source: Economic Survey of Maharashtra, Various issues

Note: All amounts in crores.

Table 17 : Non Tax Revenue for the State of Maharashtra (in percentage terms)

Year	Interest Receipts	Dividend & Profits	Grant from Central Govt.	Other Receipts	Total Non Tax Revenue
1990-91	25.43	0.34	30.71	43.52	100
1995-96	32.20	0.11	29.69	38.00	100
2000-01	44.79	0.06	20.72	34.43	100
2004-05	10.83	0.39	39.54	49.24	100
2009-10	6.86	0.41	57.29	35.44	100
2015-16	7.72	0.29	46.37	45.62	100

Source: Table 16 and authors own calculations

It is evident from table 17 that Interest receipts under non tax revenue which contributed around 25.43% to the total non tax revenue is steadily falling post 2004-05. The contribution showed good

REFERENCES

- 1) Government of Maharashtra, Economic Survey of Maharashtra, various issues
- 2) Government of India, Economic Survey of India, various issues.
- 3) Anand M and Jha R, " Budgetary Subsidies and Fiscal Deficit Case of Maharashtra" , EPW , August 21, 2004.
- 4) RBI (2016), State Government Finances, Reserve Bank of India.

ARTICLE REVIEW REPORT

TRENDS IN REVENUE INCOME FOR THE STATE OF MAHARASHTRA

Dr. G. H. Barhate

ABSTRACT:

The problem statement was clear and well articulated Role of state governments over a period of time has shifted from doer to facilitator for the economic development of respective states. As rightly pointed out by Wagner, an increase in states activity results in corresponding rise in government expenditure which needs to be financed from some or the other sources owing to states role of performing various functions. Receipts for government are primarily raised through revenue receipts and capital receipts.

INTRODUCTION:

The introduction provides a good, generalized background of the topic that quickly gives the reader an appreciation Study of state finance for Maharashtra, would be incomplete without understanding the pattern of revenue receipts for the state of Maharashtra. Revenue collection plays a vital role which is base for various developmental and non developmental expenditure. It also reflects a level of efficiency of tax collection numbers. Revenue Receipts which comprises of tax and non tax revenue also reflects the various sources of revenue for the state.

METHODOLOGY:

Author has not mentioned any specific methodology. This study was descriptive in nature. Must add methodology in your article. Methodology used to per research topic.

PRESENTATION OF RESULTS:

The amount of data presented was sufficient and appropriate. Tables, graphs, or figures were used judiciously and agree with the text Undoubtedly, revenue receipts are an important part of state finances for the state of Maharashtra. Tax revenue which is one of the major components in state of Maharashtra's Finances is witnessing a fall in percentage terms when compared to total revenue receipts for the state of Maharashtra. The average growth rate for state's revenue from own tax revenue is 13.47% as against 21.3% which is for interest receipts, 0.27% against dividends and profits, 37.39% which is grants received from central government which is non tax revenue receipts for the state of Maharashtra.

REFERENCES:

Prior publication by the author(s) of substantial portions of the data or study was appropriately acknowledged.

RELEVANCE:

The study was relevant to the mission of the journal or its audience. The study addresses important problems or issues; the study was worth doing.

Article Index



REVIEW OF RESEARCH

International Online Multidisciplinary Journal

DOI Prefix : 10.9780

ISSN 2249-894X

Journal DOI : 10.9780/2249-894X

Impact Factor : 5.2331(UIF)

ORIGINAL ARTICLE

Vol. 7, Issue : 3, December 2017

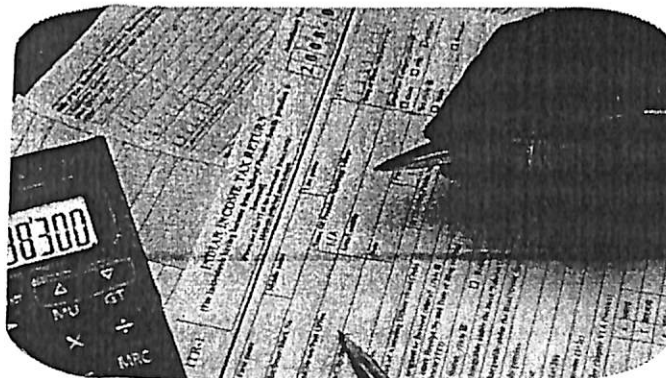
Published: 1 December 2017

Your Article QR Code



See your article on Mobile

TRENDS IN REVENUE INCOME FOR THE STATE OF MAHARASHTRA



==:Your article is deposited in:==

==:Your article is deposited in:==					DRJI (India)
GO ARTICLE (United States)	DOAJ (Sweden)	ZOTERO (United States)	GOOGLE SCHOLAR (United States)	CITULIKE (United States)	MY NET RESEARCH (United States)
DIGG (United States)	MENDELEY (United Kingdom)	DELECIIOUS (United States)	FIGSHARE (United States)	ENDNOTE (Ireland)	Easybib.Com (United States)

Correspondence to,

Dr. G. H. Barhate

Associate Professor and Head of Department of Commerce, C.D. Jain College of Commerce, Shrirampur.





Certificate of Publication

International Recognition Multidisciplinary Research Journal
Associated & Indexed by EBSCO, USA

ISSN 2249-894X

Impact Factor : 5.2331 (UIF)

Review of Research

This is to certify that our review board accepted research paper of Dr./Shri./Smt.:G. H. Barhate Topic:-Trends In Revenue Income For The State of Maharashtra. College:-Department of Commerce, C.D. Jain College of Commerce, Shrirampur. The research paper is original & innovative it is done double blind peer reviewed. Your article is published in the month of Dec 2017.



Laxmi Book Publication

258/34, Raviwar Peth, Solapur-413005 Maharashtra India
Contact Detail: +91-0217-2372010 / 9595-359-435
e-Mail: ayisrj2011@gmail.com
Website: www.lbp.world

Authorised Signature

Ashok Yakkaldevi
Editor-in-Chief

Certificate of Membership

International Academic Research Association (IARA)

Is proud to announce that

G. H. Barhate

*Department of Commerce, C.D. Jain College of Commerce,
Shrirampur.*

*Has been awarded membership to his / her
Academic Excellence*



Laxmi Book
Publication's

Laxmi Book Publication

258/34, Raviwar Peth, Solapur-413005 Maharashtra India
Contact Detail: +91-0217-2372010 / 9595-359-435
e-Mail: ayisrj2011@gmail.com
Website: www.lbp.world

Authorised Signature

Ashok Yakkaldevi
Editor-in-Chief

Certificate of Appreciation

This Certificate is Awarded to :

G. H. Barhate

*Department of Commerce, C.D. Jain College of Commerce,
Shrirampur.*

*in recognition of your commitment of health and healing
as demonstrated by your participation and support of the:*



Laxmi Book Publication

258/34, Raviwar Peth, Solapur-413005 Maharashtra India
Contact Detail: +91-0217-2372010 / 9595-359-435
e-Mail: ayisrj2011@gmail.com
Website: www.lbp.world

Authorised Signature

Ashok Yakkaldevi


Editor-in-Chief

Certificate of Excellence in Reviewing

This is to Certify our Editorial, Advisory and Review Board Accept Research Paper of
G. H. Barhate Topic:-Trends In Revenue Income For The State Of Maharashtra.
College:-Department of Commerce, C.D. Jain College of Commerce, Shrirampur. The
Research Paper is Original and Innovative it is Done Double Blind Peer Reviewed. Your
Article is Published in the Month of Dec 2017.



Laxmi Book Publication
258/34, Raviwar Peth, Solapur-413005 Maharashtra India
Contact Detail: +91-0217-2372010 / 9595-359-435
e-Mail: ajisrj2011@gmail.com
Website: www.lbp.world

Authorised Signature

Ashok Yakkaladevi
Editor-in-Chief

Laxmi Book Publication

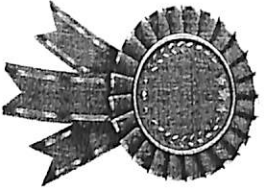
*Certificate of Excellence
in Reviewing of Article*

TRENDS IN REVENUE INCOME FOR THE
STATE OF MAHARASHTRA

Awarded to

G. H. BARRHATE

In recognition of an outstanding contribution to the quality
of the journal



Yashwantrao

Authorized Singature
Editor-in-Chief

BP