Quadrant II – Transcript and Related Materials

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Module Name: State Public Finances Module No: 24

Name of the Presenter: Mrs. Danica F. Menezes

Assistant Professor in Economics,

Dnyanprassarak Mandal's College and Research Center, Assagao - Goa

Notes :

Introduction :
Public finance portrays the overall revenue expenditure of the State economy. It also highlights the developmental progress of the State economy. Due to the impact of the pandemic the Goan economy has slowed down, however, it returned to normalcy after November 2020. The State Budget in the year 2019-20 was presented with a revenue surplus of Rupees 455.10 crore. Similarly, the State Budget in the year 2020-21 was presented with a revenue surplus of Rupees 353.61 crore.

Budget at a Glance:

The revenue receipts and revenue expenditure for the year 2020-21 was estimated at ₹ 13331.04 crore and ₹ 12977.42 crore respectively whereas, the capital receipts and capital expenditure are estimated to be ₹ 2676.44 crore and ₹ 5822.07 crore respectively. The total receipts and expenditure are estimated to show an increase of 10.21% and 10.06% respectively over previous year.

Revenue Account:

Revenue Account comprises Current income and expenditure of the State.

Revenue receipt are broadly classified in three categories:

1) Tax revenue

2) Non-Tax revenue

3)Grants in Aid from Central Government

There has been a continuous increase in the revenue receipts from 2015-16 onwards upto 2020-21 (B.E), the revenue receipts is estimated at ₹ 13331.04 crore which is 10.94% higher than the 2019-20.

Share of Revenue Receipts

State's own tax revenue forms the highest share in revenue receipts, that is, 43.85%

This is then followed by share in Central Taxe, that is, 22.17%

State's own Non-Tax revenue share is 15.65%

Grant -in-aid from Central Government is 17.80%

Tax Revenue

Tax revenue is divided into:

1. State's Own Tax Revenue
2. Share in Central Tax

According to 2020-21 budget estimates, Rupees 5845.11 crore comprised State's Own Tax revenue, whereas, Rupees 3026.94 crore comprised State's Share in Central Taxes. Tax revenue in the accounting year 2020-21, has shown a growth rate of 6.51%.

Tax Revenue - State's Own Tax Revenue
Most important contributor to State's own tax revenue is the State Goods and Service Tax (SGST) which is around 47.4% of the total State's own tax revenue.

Tax on sales and trade comprises of 21.3% which is then followed by stamps and registration which is 12.5%, State excise which is 9.4% and tax on vehicles which is 6.3%

Land revenue, tax on goods and passengers forms a very small portion of the State's own tax revenue which is 3.16%

Tax Revenue - Share in Central Taxes
Major portion of the State's Share in Central taxes comes from central GST which comprises of 30.27%

Corporation tax and taxes on income other than corporation tax comprises 30.77% and

28.64% respectively.

Customs comprises 6.24%, union excise comprises 4.98% and integrated GST and receipts from taxes on wealth are negligible.

Non - Tax Revenue
The receipts for non-tax revenue for the year 2019-20 were estimated to be Rupees 3686.59 crore.

In the year 2020-21 the non-tax revenue was estimated to be at Rupees 4458.96 which showed a growth rate of 20.95%

The State's own non-tax revenue for the year 2020-21 was Rupees 2085.97 crore which is 46.78% of the non-tax revenue of the State.

Grant -in-aid which is provided by the Central Government to the State with the objective of implementation of various schemes.

The Grant-in-aid from the Central Government was estimated to be Rupees 2373.00 crore for 2020-21.

Revenue Collected from Various Departments
1. **Registration Department :** Collected registration fees on registration of marriage, fees for issue of birth and death certificate, fees towards registration of notarial deeds, fees collected under change of name etc.
2. **Commercial Taxes Department:** It is considered as the revenue generating arm of the Government and is responsible to collect indirect taxes such as GST, VAT and others.
3. **Town and Country Planning Department:** Revenue collected through infrastructure processing fees for zoning certificates, NOC, fees for change of zone under section 16B of the act etc.
4. **Excise Department:** Revenue is generated through fees for grant of liquor license, recording of labels export import permits, grants of new licenses etc.
5. **Fire and Emergency Services:** Department has collected fees through training, licensing and others.
6. **Captain of Ports:** Department generates revenue from port dues, anchoring charges, barge tax, fishing canoes registration/renewal charges etc.
7. **Kadamba Transport Corporation Limited:** Revenue is generated through fare collected from the public for commuting.
8. **Transport:** Revenue is collected from registration of vehicles, permits for vehicles, license fee etc.

Revenue Expenditure

Revenue expenditure comprises all expenditure for collection of taxes and other receipts, interest payment and servicing of public debt , expenditure incurred on social and developmental service and other expenditure.

There has been an increasing trend of expenditure over the years. In 2020-21(B.E), the revenue expenditure is estimated at ₹ 12977.42 crore with a growth rate of 10.48% as compared to 2019-20.

Capital Account

The Capital Account deals with expenditure usually met from sources other than current revenue e.g. borrowings, advances and receiving of loans and advances with the object either of creating concrete assets of material character or of reducing recurring liabilities.

Capital Receipts

Capital receipts are classified into four groups' i.e. internal debt, loans and advances from Central Government, non-debt capital receipts and public account – net (i.e. receipts from public account minus expenditure under public account).

The capital receipt for 2020-21(B.E) is estimated at ₹ 2676.44 crore which is an increase of 6.68 % over previous year.

Capital Expenditure

Capital expenditure is the money spent by the government on the development of machinery, equipment, building, health facilities, education, etc. It also includes the expenditure incurred on acquiring fixed assets like land and investment by the Government.

Public Debt

The public debt which was ₹12395.42 crore in 2017 has increased to ₹ 13611.10 crore in 2018. It further increased to ₹ 15219.56 crore in 2019 and ₹ 16472.24 crore as per the revised estimate 2020 and increased to ₹ 17952.24 crore.

Deficit Indicators of the State

The deficit indicators of the State mainly comprise of revenue surplus / deficit, fiscal, deficit, primary surplus / deficit. State is in Revenue surplus from 2016-17 and has remained over the years. 2020-21, the revenue surplus is estimated at ₹ 353.61 crore.

Fiscal deficit has been fluctuating over the years and for 2020-21 it was pegged at ₹ 1856.66 crore. In 2017-18 and 2018-19 there was a primary surplus of ₹ 2974.48 crore and ₹ 3144.09 crore respectively. In 2019-20 (R.E) and 2020-21 (B.E), the primary surplus is estimated to be ₹ 2982.21 crore and ₹ 3612.86 crore respectively.