

GROWTH OF TAX REVENUE AND PER CAPITA TAX BURDEN IN THE INDIAN ECONOMY

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ABSTRACT:

Tax is one of the major instruments of Fiscal Policy. Taxes can be used as an effective tool to achieve higher rate of economic growth, to control inflation, to reduce income inequalities. Tax revenue increases in different proportions in different years depending on the economic conditions. Governments also aim at increasing tax revenue to meet the increasing public expenditure. In fact, governments introduce various types of taxes. Government generally tries to identify new avenues for implementing new taxes. As long as public expenditure increases, taxes are also likely to increase.

However, majority of the people view that taxes are burden to them and it reduces their real income and savings. This research work analyses the growth of tax revenue of the Central and State governments and the increase in per capita tax burden of the people of the Indian Economy over the period of 30 years.

Key Words: Tax Revenue, Per capita, Tax Burden, Indian Economy, GDP, Central and State Governments.

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I. INTRODUCTION:

Tax is one of the major instruments of Fiscal Policy. Taxes can be used as an effective tool to achieve higher rate of economic growth, to control inflation, to reduce income inequalities, to reduce unwanted production, to alter savings and so on. As such generally some changes are made in every year budget in the structure of some taxes to achieve the desired goals. Just like public expenditure, tax revenue increases continuously. Tax revenue increases in different proportions in different years depending on the economic conditions. Governments also aim at increasing tax revenue to meet the increasing public expenditure. In fact, governments introduce various types of taxes. Government generally tries to identify new avenues for implementing new taxes. As long as public expenditure increases, taxes are also likely to increase.

However, majority of the people view that taxes are burden to them and it reduces their real income and savings. Hence increase in taxes are not liked by the people and they have a general feeling that tax burden is increasing year by year. This research work analyses the growth of tax revenue of the Central and State Governments and the increase in per capita tax burden of the people of the Indian Economy over the period of 30 years.

II. REVIEW OF LITERATURE:

Only limited numbers of studies are available in the literature on tax reform, tax structure, tax burden, taxable capacity and related areas. However, most of the research works have been undertaken in nineties. Some prominent works available in this area are: works on Tax reforms are: Shanker Acharya (2005), Govinda Rao (2000), Amaresh Bagchi (1994), Richard M Bird (1993). Works on tax Burden and tax incidence are: Tapan K. Sarkar (2006), Hansavivek (1982), SL. Shetty (1971). Works on sharing of tax revenue are: G.Thimmaiah (1993), S.Gurumurthi (1993). Works on the taxes of the state governments are: Amrita Jairaj, Barbara Harriss-White (2006), Dipankor Coondoo, Amita Majumber, Robin Mukherjee and Chiranjib Neogi (2001), Archana R.Dholakia (2000). A few other works related to tax are: Jomo Kwame Sundaram (2013). R.Kavita Rao (2013), Yannick Lucotte (2012), Tomes Baunsgaard and Michael Keen (2010), Mahesh C. Purohit (2006), Pratap R. Jena (2006), E.A.S Sarma (2006), Pinaki Chakraborty (1997), K.Sundaram, V.Pandit and B.Mukherji (1995), Arindam Das - Gupta, Radnika Lahiri and Dilip Mookherjee (1995) and so on. However, works on the growth

of the tax revenue of the Central and State Governments and per capita tax burden for the Indian Economy are not available much in the literature.

III. METHODOLOGY OF APPROACH:

The data required for analysis are: Tax revenue of the Central and State Governments, total revenue of the Central and State Governments, GDP, and population. A period of 30 years from 1981-82 to 2010-11 is selected. This period is divided into three sub-periods, namely 1981-82 to 1990-91, 1991-92 to 2000-01 and 2001-02 to 2010-11. From these data, the share of tax revenue to the total revenue for the Central and State Governments, total tax revenue in India, tax revenue as a percentage to GDP, Per capita tax in current and constant prices have been worked out.

To analyse the trend and to estimate the Compound Growth Rate of Central Government Tax Revenue, State Governments Tax Revenue, Per capita tax burden of the Central and State Governments, simple linear regression and semi-log linear regression have been used respectively.

IV. ANALYSIS AND INTERPRETATION:

4.1. Tax Revenue of the Central Government:

The tax revenue of the Central Government expressed in billions of Rupees in current prices are given for the three sub periods, in Tables 1, 2, and 3. The tax revenue of the Central Government of India in 1981-82 was 115 billions of Rupees. It increased continuously at the average annual growth rate of 30.26 per cent and reached 430 billions of Rupees in the year 1990-91. The index numbers show that the tax revenue of the Central Government of India has increased by 3.72 times in this period.

In the second period, the tax revenue of the Central Government has increased from 501 billions of Rupees in 1991-92 to 1367 billions of Rupees in 2000-01. Tax revenue increased by 2.73 times in this period. The average annual growth rate is 19.22 per cent.

The tax revenue of the Central Government has increased continuously in the third sub period also. Particularly, it has increased from 1335 billions in 2000-01 to 5699 billions of Rupees in 2010-11. In this period tax revenue of the Central Government has increased by 4.27 times. The average annual growth rate is 36.31 per cent.

Comparing the three periods, the tax revenue of the Central Government has increased at the highest rate in the third period, namely 2001-02 to 2010-11. In absolute amount also, the tax

revenue is very high in this period. The highest value of tax revenue is 5699 billions of Rupees in the year 2010-11. Compared to the tax revenue in the year 1981-82 the tax revenue in the year 2010-11 is fifty times higher.

4.2. Share of Tax Revenue in the Total Revenue of the Central Government:

The share of tax revenue to the total revenue of the Central Government was 76.82 per cent in 1981-82. With marginal variations, it touched 78.21 per cent in 1990-91. The average share for this decade was 75.86 per cent. In the next decade also it was ranging between 70 per cent and 75.83 per cent. However, the average has come down to 72.53 per cent. During 2001-01 to 2010-11, the share varied over a wider range. The lowest share was 66.33 per cents in 2001-02 and the highest share was 82.06 per cent in 2008-09. The average for this decade was 75.32 per cent. Hence tax revenue approximately forms three-fourth of the total revenue and non-tax revenue forms one-fourth of the total revenue of the Central Government.

4.3 Tax Revenue of the State Governments:

Data on the tax revenue of the State Governments are given in Tables 7,8 and 9. The tax revenue of the State Governments is increasing steadily from 1981-82. It was Rs 124.94 billions in 1981-82. It increased continuously and touched Rs 445.86 billions in 1990-91. The tax revenue of the State Governments increased by 3.56 times in this decade. During the decade, 1991-92 to 2000-01, it increased from Rs 526 billions to 1643.14 billions. In the next decade, that is, during 2001-02 to 2010-11, it has increased from Rs 1754.15 billions to Rs 6734.19 billions. Tax revenue of the State Governments has registered the highest annual growth rate of 31.54 per cent during the decade 2001-02 to 2010-11. Index numbers reveal that the revenue has increased by 3.83 times in this period. During the period of 30 years from 1981-82 to 2010-11, the tax revenue of the State Governments has increased by more than 54 times. This is a phenomenal increase and this increase has given scope to increase the public expenditure tremendously.

4.4. Share of Tax Revenue in the Total Revenue of the State Governments:

Tax revenue as a percentage to the total revenue of the State Governments is given in Tables 10, 11 and 12. During 1981-82 to 1990-01, tax revenue formed 66.49 per cent to the total revenue. In the next decade, the share of tax revenue has increased to 68.37 per cent. During 2001-02 to 2010-11, it has further increased to 70.53 per cent. Hence the contribution of tax

revenue is very high in the total revenue of the State Governments and it is increasing slowly from decade to decade.

4.5. Total Tax Revenue of India:

Total tax revenue of India is obtained as the sum of central tax revenue and state tax revenue. The data on total tax revenue of India for the three decades are given in Tables 13, 14 and 15. The total tax revenue was Rs 240.36 billions in 1981-82 and it reached Rs 875.64 billions in 1990-91.

In 1991-92, it increased to Rs 1026.73 billions and reached to Rs 3089.72 billions in 2000-01. In the next year, it increased to Rs 3089.47 billions and touched the maximum level of Rs 12432.38 billions in the year 2010-11. Over a period of thirty years from 1981-82 to 2010-11, the total tax revenue of India has increased by more than 50 times.

4.6. Structure of Indian Tax Revenue:

The shares of Central and State Governments to the total tax revenue of India in terms of percentage are given in Tables 13, 14 and 15. In all the years, through out the period of Investigation, State Governments Tax Revenue exceeds 50 per cent and the contribution of Central Government is less than 50 per cent. The average percentage for the decades shows marginal variations. During the decade 2001-02 to 2010-11, Central Government shares 46.39 per cent and State Government shares 53.41 per cent.

This is a clear evidence to establish the fact that State Governments have levied more taxes than the Central Government. The time has come to make the public expenditure programmes more effective in raising the welfare of the people without increasing further the taxes.

4.7. Tax Revenue as a Percentage to GDP:

Tax revenue as a percentage of GDP for the Central and State Governments for the period of 30 years from 1981-82 to 2010-11 are given in Tables 16 and 17. The Central Government Tax revenue as a percentage to GDP varies between a minimum of 5.80 per cent and a maximum of 8.81 per cent. With fluctuations, it has come to 7.43 per cent in 2010-11 from 6.57 per cent in 1981-82.

For the State Governments, the tax revenue as a percentage to GDP varies between 6.88 and 8.78. When State Governments tax revenue and Central Government tax revenue are added,

it forms 16.21 per cent to the GDP. Hence people in India devote more than 16 per cent of their income as tax to the government, when the data for the year 2010-11 are taken in to account.

4.8. Per Capita Tax of the Indian People:

The data on the per capita tax of the Central Government and State Governments are given in Tables 18 and 19 respectively. Per capita tax of the Central Government is increasing from Rs 166.79 in 1981-82 to Rs 4804.97 in 2010-11. The State Governments per capita tax has increased from Rs 180.55 in 1981-82 to Rs 5678 in 2010-11. Here also, the State Governments per capita tax is greater than the Central Government tax per capita. The total per capita tax has increased from Rs 347.34 in 1981-82 to Rs 10483.04 in 2010-11.

4.9. Per capita Tax in Constant prices:

State Governments per capita tax, the Central Government per capita tax and the total per capita tax expressed in 2004-05 prices, for the three decades are given in Tables 23, 24 and 25. Central Government per capita tax has increased from Rs 727.07 in 1981-82 to Rs 3353.08 in 2010-11. State Governments per capita tax has increased from Rs 787.05 in 1981-82 to Rs 3962.37 in 2010-11. The total per capita tax in constant prices has increased from Rs 1514.12 in 1981-82 to Rs 7315.45 in 2010-11. Hence the real tax burden of the Indian people has approximately increased by five times within a period of 30 years.

4.10. Trend Analysis:

The results of the trend analysis of the Central Government tax revenue, State Governments tax revenue, total tax revenue, total per capita tax and the total per capita tax at the constant prices are given in Tables 26, 27, 28, 29, and 30.

The Central Government tax revenue is growing at the rate of 35 billions of Rupees during 1981-82 to 1990-91, 100 billions of Rupees during 1991-92 to 2000-01 and at the rate of 486 billion of Rupees during 2001-02 to 2010-11. State Governments tax increases by 35 billions of Rupees during 1981-82 to 1990-91, by 121 billions of Rupees during 1991-92 to 2000-01 and by 529 billions of Rupees during 2001-02 to 2010-11. The total tax revenue increases by 71 billions of Rupees in 1981-82 to 1990-91, by 221 billions of Rupees in 1991-92 to 2000-01 and by 1015 billions of Rupees during 2001-02 to 2010-11. In all the cases, the tax revenue has gone up consistently and the increase is the highest in the decade 2001-02 to 2010-11 only. The regression coefficients are significant at one per cent level and the value of adjusted R^2 is higher

than 0.9 in all the cases indicating the fact that the tax revenue has been increasing consistently over the three decades.

The per capita tax increases by Rs 78 per year during 1981-82 to 1990-91, by Rs 197 per year during 1991-92 to 2000-01 and by Rs 819 per year during 2001-02 to 2010-11. In terms of 2004-05 prices, the per capita tax increases by Rs 120 per year during 1981-82 to 1990-91, by Rs 125 per year during 1991-92 to 2000-01 and by Rs 448 per year during 2001-02 to 2010-11. In all the cases, the increase is by the highest amount during 2001-02 to 2010-11. The adjusted R^2 exceeds 0.9 in all the cases indicating the fact that the increase is consistent. Regression coefficient is also significant at one per cent level in all the cases. Hence in terms of current prices and constant prices, per capita tax is increasing by the highest rate during 2001-02 to 2010-11.

V. Conclusion:

The tax revenue of the Central and State Governments is increasing phenomenally for the past three decades. Tax revenue forms 75 per cent of the total revenue of the Central Government. For the State Governments, tax revenue forms 70 per cent of total revenue. State tax revenue shares more than 50 per cent of the total tax revenue. Through out the period of investigation, State Governments tax revenue is higher than the Central Government tax revenue. When calculated as a percentage of GDP, tax revenue forms more than 16 per cent. Therefore, on an average, people of India devote 16 per cent of their income as tax. The per capita tax burden of the Indian people has increased by 30 times in current prices and by 5 times in constant prices. This clearly proves that the tax burden of the Indian people has increased tremendously and the Government should not try to impose new taxes and tax burden of the people should not be increased further. Rather Government should spend tax revenue in a productive manner so that marginal social benefit is greater than marginal social cost.

TABLE 1
TAX REVENUE OF THE CENTRAL GOVERNMENT DURING 1981-82 TO 1990-91
(Rupee in Billions)

year	Central Government Tax revenue	Index No	Annual Growth Rate
1981-82	115.42	100.00	-
1982-83	130.17	112.78	12.78
1983-84	154.41	133.78	18.62
1984-85	176.51	152.93	14.31
1985-86	211.40	183.16	19.77
1986-87	243.19	210.70	15.04
1987-88	280.15	242.72	15.20
1988-89	337.51	292.42	20.47
1989-90	383.49	332.26	13.62
1990-91	429.78	372.36	12.07
Average	246.20		30.26

Source: Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 2
TAX REVENUE OF THE CENTRAL GOVERNMENT DURING 1991-92 TO 2000-01
(Rupee in Billions)

year	Central Government Tax revenue	Index No	Annual Growth Rate
1991-92	500.69	100.00	16.50
1992-93	540.44	107.94	7.94
1993-94	534.49	106.75	-1.10
1994-95	674.54	134.72	26.20
1995-96	819.39	163.65	21.47
1996-97	937.01	187.14	14.35
1997-98	956.72	191.08	2.10
1998-99	1046.52	209.02	9.39
1999-20	1282.71	256.19	22.57
2000-01	1366.58	272.94	6.54
Average	865.91		19.22

Source: Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 3
TAX REVENUE OF THE CENTRAL GOVERNMENT DURING 2001-02 TO 2010-11
(Rupee in Billions)

year	Central Government Tax revenue	Index No	Annual Growth Rate
2001-02	1335.32	100.00	-2.29
2002-03	1585.44	118.73	18.73
2003-04	1869.82	140.03	17.94
2004-05	2247.98	168.35	20.22
2005-06	2702.64	202.40	20.23
2006-07	3511.82	262.99	29.94
2007-08	4395.47	329.17	25.16
2008-09	4433.19	331.99	0.86
2009-10	4565.36	341.89	2.98
2010-11	5698.69	426.77	24.82
Average	3234.57		36.31

Source: Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 4
**SHARE OF TAX REVENUE TO THE TOTAL REVENUE OF THE CENTRAL
GOVERNMENT IN INDIA**
(Rupee in Billions)

Year	Tax Revenue	Non-Tax Revenue	Total Revenue
1981-82	115.42 (76.82)	34.82 (23.18)	150.24 (100)
1982-83	130.17 (74.66)	44.17 (25.34)	174.34 (100)
1983-84	154.41 (78.34)	42.70 (21.66)	197.11 (100)
1984-85	176.51 (75.22)	58.15 (24.78)	234.66 (100)
1985-86	211.40 (75.41)	68.95 (24.59)	280.35 (100)
1986-87	243.19 (73.51)	87.64 (26.49)	330.83 (100)
1987-88	280.15 (75.64)	90.22 (24.36)	370.37 (100)
1988-89	337.51 (77.43)	98.40 (2257)	435.91 (100)
1989-90	383.49 (73.33)	139.47 (26.67)	522.96 (100)
1990-91	429.78 (78.21)	119.76 (21.79)	549.54 (100)
Average	246.20 (75.86)	78.43 (24.14)	324.63 (100)

Figure in Parentheses are percentages to the total

TABLE 5
SHARE OF TAX REVENUE TO THE TOTAL REVENUE OF THE CENTRAL GOVERNMENT IN INDIA

(Rupee in Billions)

Year	Tax Revenue	Non-Tax Revenue	Total Revenue
1991-92	500.69 (75.83)	159.61 (24.17)	660.30 (100)
1992-93	540.44 (72.91)	200.84 (27.09)	741.28 (100)
1993-94	534.49 (70.84)	220.04 (29.16)	754.53 (100)
1994-95	674.54 (74.06)	236.29 (25.94)	910.83 (100)
1995-96	819.39 (74.40)	281.91 (25.60)	1101.30 (100)
1996-97	937.01 (74.20)	325.78 (25.80)	1262.79 (100)
1997-98	956.72 (71.46)	382.14 (28.54)	1338.86 (100)
1998-99	1046.52 (70.01)	448.33 (29.99)	1494.85 (100)
1999-20	1282.71 (70.68)	532.11 (29.32)	1814.82 (100)
2000-01	1366.58 (70.95)	559.47 (29.05)	1926.05 (100)
Average	865.91 (72.53)	334.65 (27.47)	1200.56 (100)

Figure in Parentheses are percentages to the total

TABLE 6
SHARE OF TAX REVENUE TO THE TOTAL REVENUE OF THE CENTRAL GOVERNMENT IN INDIA

(Rupee in Billions)

Year	Tax Revenue	Non-Tax Revenue	Total Revenue
2001-02	1335.32 (66.33)	677.74 (33.67)	2013.06 (100)
2002-03	1585.44 (68.68)	722.90 (31.32)	2308.34 (100)
2003-04	1869.82 (70.88)	768.31 (29.12)	2638.13 (100)
2004-05	2247.98 (73.47)	811.93 (26.53)	3059.91 (100)
2005-06	2702.64 (77.87)	768.13 (22.13)	3470.77 (100)
2006-07	3511.82 (80.85)	832.05 (19.15)	4343.87 (100)
2007-08	4395.47 (81.12)	1023.17 (18.88)	5418.64 (100)
2008-09	4433.19 (82.06)	969.40 (17.94)	5402.59 (100)
2009-10	4565.36 (79.70)	1162.75 (20.30)	5728.11 (100)
2010-11	5698.69 (72.28)	2186.02 (27.72)	7884.71 (100)
Average	3234.57 (75.32)	992.24 (24.68)	4226.81 (100)

Figure in Parentheses are percentages to the total

TABLE 7
TAX REVENUE OF THE CENTRAL GOVERNMENT DURING 1981-82 TO 1990-91
(Rupee in Billions)

year	State Government Tax revenue	Index No	Annual Growth Rate
1981-82	124.94	100.00	-
1982-83	141.19	113.01	13.01
1983-84	157.61	126.15	11.63
1984-85	181.14	144.98	14.93
1985-86	218.11	174.57	20.41
1986-87	250.96	200.86	15.06
1987-88	289.82	231.97	15.48
1988-89	331.37	265.22	14.34
1989-90	390.93	312.89	17.97
1990-91	445.86	356.86	14.05
Average	253.19		28.54

Source: Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 8
TAX REVENUE OF THE CENTRAL GOVERNMENT DURING 1981-82 TO 1990-91
(Rupee in Billions)

year	State Government Tax revenue	Index No	Annual Growth Rate
1991-92	526.04	100.00	17.98
1992-93	604.48	114.91	14.91
1993-94	682.69	129.78	12.94
1994-95	788.32	149.86	15.47
1995-96	908.02	172.61	15.18
1996-97	1036.04	196.95	14.10
1997-98	1186.99	225.65	14.57
1998-99	1253.28	238.25	5.58
1999-20	1432.72	272.36	14.32
2000-01	1643.14	312.36	14.69
Average	1006.17		23.60

Source: Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 9
TAX REVENUE OF THE CENTRAL GOVERNMENT DURING 1981-82 TO 1990-91
(Rupee in Billions)

year	State Government Tax revenue	Index No	Annual Growth Rate
2001-02	1754.15	100.00	6.76
2002-03	1934.74	110.30	10.30
2003-04	2211.17	126.05	14.29
2004-05	2605.77	148.55	17.85
2005-06	3063.32	174.63	17.56
2006-07	3728.41	212.55	21.71
2007-08	4379.48	249.66	17.46
2008-09	4829.83	275.34	10.28
2009-10	5280.75	301.04	9.34
2010-11	6734.19	383.90	27.52
Average	3652.18		31.54

Source: Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 10
SHARE OF TAX REVENUE TO THE TAX REVENUE OF THE STATE
GOVERNMENTS

year	State Government Tax revenue	Share to the Total Revenue (in per cent)
1981-82	124.94	67.70
1982-83	141.19	66.84
1983-84	157.61	65.63
1984-85	181.14	66.05
1985-86	218.11	65.26
1986-87	250.96	65.65
1987-88	289.82	65.87
1988-89	331.37	65.72
1989-90	390.93	69.15
1990-91	445.86	67.08
Average	253.19	66.49

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 11
SHARE OF TAX REVENUE TO THE TAX REVENUE OF THE STATE
GOVERNMENTS

year	State Government Tax revenue	Share to the Total Revenue (in per cent)
1991-92	526.04	65.32
1992-93	604.48	66.36
1993-94	682.69	65.02
1994-95	788.32	65.53
1995-96	908.02	67.51
1996-97	1036.04	69.05
1997-98	1186.99	71.15
1998-99	1253.28	72.53
1999-20	1432.72	70.60
2000-01	1643.14	70.67
Average	1006.17	68.37

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 12
SHARE OF TAX REVENUE TO THE TAX REVENUE OF THE STATE
GOVERNMENTS

year	State Government Tax revenue	Share to the Total Revenue (in per cent)
2001-02	1754.15	70.33
2002-03	1934.74	70.70
2003-04	2211.17	71.52
2004-05	2605.77	71.68
2005-06	3063.32	71.07
2006-07	3728.41	70.27
2007-08	4379.48	70.21
2008-09	4829.83	69.53
2009-10	5280.75	68.75
2010-11	6734.19	69.56
Average	3652.18	70.36

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 13
TOTAL TAX REVENUE OF INDIA
(Rupee in Billions)

Year	Central Tax Revenue	State Tax Revenue	Total Tax Revenue
1981-82	115.42 (48.02)	124.94 (51.98)	240.36 (100)
1982-83	130.17 (47.97)	141.19 (52.03)	271.36 (100)
1983-84	154.41 (49.49)	157.61 (50.51)	312.02 (100)
1984-85	176.51 (49.35)	181.14 (50.65)	357.65 (100)
1985-86	211.40 (49.22)	218.11 (50.78)	429.51 (100)
1986-87	243.19 (49.21)	250.96 (50.79)	494.15 (100)
1987-88	280.15 (49.15)	289.82 (50.85)	569.97 (100)
1988-89	337.51 (50.46)	331.37 (49.54)	668.88 (100)
1989-90	383.49 (49.52)	390.93 (50.48)	774.42 (100)
1990-91	429.78 (49.08)	445.86 (50.92)	875.64 (100)
Average	246.20 (49.15)	253.19 (50.85)	499.40 (100)

Figure in Parentheses are percentages to the total

TABLE 14
TOTAL TAX REVENUE OF INDIA
(Rupee in Billions)

Year	Central Tax Revenue	State Tax Revenue	Total Tax Revenue
1991-92	500.69 (48.77)	526.04 (51.23)	1026.73 (100)
1992-93	540.44 (47.20)	604.48 (52.80)	1144.92 (100)
1993-94	534.49 (43.91)	682.69 (56.09)	1217.18 (100)
1994-95	674.54 (46.11)	788.32 (53.89)	1462.86 (100)
1995-96	819.39 (47.43)	908.02 (52.57)	1727.41 (100)
1996-97	937.01 (47.49)	1036.04 (52.51)	1973.05 (100)
1997-98	956.72 (44.63)	1186.99 (55.37)	2143.71 (100)
1998-99	1046.52 (45.50)	1253.28 (54.50)	2299.80 (100)
1999-20	1282.71 (47.24)	1432.72 (52.76)	2715.43 (100)
2000-01	1366.58 (45.41)	1643.14 (54.59)	3009.72 (100)
Average	865.91 (46.37)	1006.17 (53.63)	1872.08 (100)

Figure in Parentheses are percentages to the total

TABLE 15
TOTAL TAX REVENUE OF INDIA
(Rupee in Billions)

Year	Central Tax Revenue	State Tax Revenue	Total Tax Revenue
2001-02	1335.32 (43.22)	1754.15 (56.78)	3089.47 (100)
2002-03	1585.44 (45.04)	1934.74 (54.96)	3520.18 (100)
2003-04	1869.82 (45.82)	2211.17 (54.18)	4080.99 (100)
2004-05	2247.98 (46.31)	2605.77 (53.69)	4853.75 (100)
2005-06	2702.64 (46.87)	3063.32 (53.13)	5765.96 (100)
2006-07	3511.82 (48.50)	3728.41 (51.50)	7240.23 (100)
2007-08	4395.47 (50.09)	4379.48 (49.91)	8774.95 (100)
2008-09	4433.19 (47.86)	4829.83 (52.14)	9263.02 (100)
2009-10	4565.36 (46.37)	5280.75 (53.63)	9846.11 (100)
2010-11	5698.69 (45.84)	6734.19 (54.16)	12432.88 (100)
Average	3234.57 (46.59)	3652.18 (53.41)	6886.75 (100)

Figure in Parentheses are percentages to the total

TABLE 16
CENTRAL GOVERNMENTS TAX AS A PERCENTAGE TO GDP

year	Percentage	year	Percentage	year	Percentage
1981-82	6.57	1991-92	7.43	2001-02	5.69
1982-83	6.62	1992-93	6.98	2002-03	6.26
1983-84	6.74	1993-94	6.00	2003-04	6.59
1984-85	6.88	1994-95	6.45	2004-05	6.93
1985-86	7.30	1995-96	6.68	2005-06	7.32
1986-87	7.51	1996-97	6.60	2006-07	8.18
1987-88	7.61	1997-98	6.08	2007-08	8.81
1988-89	7.73	1998-99	5.80	2008-09	7.87
1989-90	7.64	1999-20	6.37	2009-10	7.07
1990-91	7.33	2000-01	6.30	2010-11	7.43
Average	7.19	Average	6.47	Average	7.22

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 17
STATE GOVERNMENTS TAX AS A PERCENTAGE TO GDP

year	Percentage	Year	Percentage	year	Percentage
1981-82	7.11	1991-92	7.81	2001-02	7.47
1982-83	7.18	1992-93	7.80	2002-03	7.65
1983-84	6.88	1993-94	7.66	2003-04	7.79
1984-85	7.06	1994-95	7.54	2004-05	8.04
1985-86	7.53	1995-96	7.40	2005-06	8.29
1986-87	7.75	1996-97	7.30	2006-07	8.68
1987-88	7.87	1997-98	7.55	2007-08	8.78
1988-89	7.58	1998-99	6.95	2008-09	8.58
1989-90	7.79	1999-20	7.12	2009-10	8.18
1990-91	7.61	2000-01	7.58	2010-11	8.78
Average	7.44	Average	7.47	Average	8.22

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 18
PER CAPITA TAX OF THE CENTRAL GOVERNMENT
(in Rupees)

year	Per Capita Tax	Year	Per Capita Tax	year	Per Capita Tax
1981-82	166.79	1991-92	584.92	2001-02	1283.96
1982-83	183.86	1992-93	619.77	2002-03	1501.36
1983-84	213.57	1993-94	599.20	2003-04	1744.24
1984-85	238.85	1994-95	741.25	2004-05	2064.26
1985-86	280.00	1995-96	882.96	2005-06	2443.62
1986-87	315.42	1996-97	990.50	2006-07	3129.96
1987-88	355.52	1997-98	992.45	2007-08	3862.45
1988-89	419.27	1998-99	1064.62	2008-09	3841.59
1989-90	466.53	1999-20	1281.43	2009-10	3902.02
1990-91	512.25	2000-01	1341.10	2010-11	4804.97
Average	315.21	Average	909.82	Average	2857.84

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 19
PER CAPITA TAX OF THE STATE GOVERNMENTS

(in Rupees)

year	Per Capita Tax	year	Per Capita Tax	year	Per Capita Tax
1981-82	180.55	1991-92	614.53	2001-02	1686.68
1982-83	199.42	1992-93	693.21	2002-03	1832.14
1983-84	217.99	1993-94	765.35	2003-04	2062.66
1984-85	245.12	1994-95	866.29	2004-05	2392.81
1985-86	288.89	1995-96	978.47	2005-06	2769.73
1986-87	325.50	1996-97	1095.18	2006-07	3323.00
1987-88	367.79	1997-98	1231.32	2007-08	3848.40
1988-89	411.64	1998-99	1274.95	2008-09	4185.29
1989-90	475.58	1999-20	1431.29	2009-10	4513.46
1990-91	531.42	2000-01	1612.50	2010-11	5678.07
Average	324.39	Average	1056.31	Average	3229.22

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 20
TOTAL PER CAPITA TAX BURDEN

(in Rupees)

year	Central Per Capita Tax Revenue at Current Prices	State Per Capita Tax Revenue at Current Prices	Total
1981-82	166.79	180.55	347.34
1982-83	183.86	199.42	383.28
1983-84	213.57	217.99	431.56
1984-85	238.85	245.12	483.96
1985-86	280.00	288.89	568.89
1986-87	315.42	325.50	640.92
1987-88	355.52	367.79	723.31
1988-89	419.27	411.64	830.91
1989-90	466.53	475.58	942.12
1990-91	512.25	531.42	1043.67
Average	315.21	324.39	639.60

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 21
TOTAL PER CAPITA TAX BURDEN

(in Rupees)

year	Central Per Capita Tax Revenue at Current Prices	State Per Capita Tax Revenue at Current Prices	Total
1991-92	584.92	614.53	1199.45
1992-93	619.77	693.21	1312.98
1993-94	599.20	765.35	1364.55
1994-95	741.25	866.29	1607.54
1995-96	882.96	978.47	1861.43
1996-97	990.50	1095.18	2085.68
1997-98	992.45	1231.32	2223.77
1998-99	1064.62	1274.95	2339.57
1999-20	1281.43	1431.29	2712.72
2000-01	1341.10	1612.50	2953.60
Average	909.82	1056.31	1966.13

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 22
TOTAL PER CAPITA TAX BURDEN

(in Rupees)

year	Central Per Capita Tax Revenue at Current Prices	State Per Capita Tax Revenue at Current Prices	Total
2001-02	1283.96	1686.68	2970.64
2002-03	1501.36	1832.14	3333.50
2003-04	1744.24	2062.66	3806.89
2004-05	2064.26	2392.81	4457.07
2005-06	2443.62	2769.73	5213.35
2006-07	3129.96	3323.00	6452.97
2007-08	3862.45	3848.40	7710.85
2008-09	3841.59	4185.29	8026.88
2009-10	3902.02	4513.46	8415.48
2010-11	4804.97	5678.07	10483.04
Average	2857.84	3229.22	6087.07

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 23
PER CAPITA TAX IN 2004-05 PRICES

(in Rupees)

year	Central Per Capita Tax	State Per Capita Tax	Total Per capita Tax
1981-82	727.08	787.05	1514.13
1982-83	764.16	828.85	1593.00
1983-84	825.23	842.33	1667.55
1984-85	866.65	889.39	1756.04
1985-86	973.24	1004.13	1977.36
1986-87	1036.21	1069.31	2105.52
1987-88	1079.95	1117.23	2197.18
1988-89	1185.04	1163.48	2348.52
1989-90	1227.07	1250.88	2477.95
1990-91	1221.98	1267.70	2489.67
Average	990.66	1022.03	2012.69

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 24
PER CAPITA TAX IN 2004-05 PRICES

(in Rupees)

year	Central Per Capita Tax	State Per Capita Tax	Total Per capita Tax
1991-92	1227.02	1289.14	2516.15
1992-93	1181.19	1321.16	2502.35
1993-94	1122.32	1433.50	2555.82
1994-95	1232.96	1440.93	2673.88
1995-96	1360.08	1507.19	2867.27
1996-97	1458.54	1612.69	3071.24
1997-98	1399.79	1736.70	3136.48
1998-99	1417.22	1697.22	3114.45
1999-20	1651.75	1844.92	3496.67
2000-01	1613.26	1939.74	3552.99
Average	1366.41	1582.32	2948.73

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.

TABLE 25
PER CAPITA TAX IN 2004-05 PRICES

(in Rupees)

year	Central Per Capita Tax	State Per Capita Tax	Total Per capita Tax
2001-02	1490.90	1958.53	3449.42
2002-03	1685.98	2057.43	3743.41
2003-04	1857.35	2196.42	4053.77
2004-05	2064.26	2392.81	4457.07
2005-06	2338.39	2650.46	4988.85
2006-07	2809.66	2982.95	5792.61
2007-08	3312.57	3300.52	6613.08
2008-09	3201.32	3487.75	6689.07
2009-10	2983.19	3450.66	6433.85
2010-11	3353.08	3962.37	7315.45
Average	2509.67	2843.99	5353.66

Source: Worked out from the data on Public Expenditure in the Hand Book of Statistics on the Indian Economy 2011-12.



TABLE 26

RESULTS OF TREND ANALYSIS FOR THE TAX REVENUE OF THE CENTRAL GOVERNMENT IN INDIA

Year	Model	A	b	SE of b	t	R ²	Adj.R ²	CGR
1981-82 to 1990-91	Simple linear	-70277.433	35.519	2.141	16.591	0.972	0.968	-
	Semi-log linear	-293.390	0.150	0.002	73.038	0.999	0.998	16.18
1991-92 to 2000-01	Simple linear	-198843.852	100.080	6.956	14.388	0.963	0.958	-
	Semi-log linear	-230.690	0.119	0.007	16.867	0.973	0.969	12.64
2001-02 to 2010-11	Simple linear	-971538.945	486.050	31.613	15.375	0.967	0.963	-
	Semi-log linear	-320.842	0.164	0.010	16.822	0.973	0.969	17.82

TABLE 27

RESULTS OF TREND ANALYSIS FOR THE TAX REVENUE OF THE STATE GOVERNMENTS IN INDIA

Year	Model	A	b	SE of b	t	R ²	Adj.R ²	CGR
1981-82 to 1990-91	Simple linear	-70312.079	35.540	2.429	14.629	0.964	0.959	-
	Semi-log linear	-281.478	0.145	0.002	66.897	0.998	0.998	15.60
1991-92 to 2000-01	Simple linear	241218.019	121.385	5.553	21.859	0.984	0.981	-
	Semi-log linear	-243.358	0.125	0.003	44.322	0.996	0.995	13.31
2001-02 to 2010-11	Simple linear	-1057706.429	529.224	39.631	13.354	0.957	0.952	-
	Semi-log linear	-293.275	0.150	0.004	35.344	0.994	0.993	16.18

TABLE 28

RESULTS OF TREND ANALYSIS FOR THE TOTAL TAX REVENUE IN INDIA

Year	Model	A	b	SE of b	t	R ²	Adj.R ²	CGR
1981-82 to 1990-91	Simple linear	-140589.512	71.060	4.529	15.691	0.969	0.965	-
	Semi-log linear	-286.610	0.147	0.002	88.815	0.999	0.999	15.83
1991-92 to 2000-01	Simple linear	-440061.871	221.465	11.460	19.325	0.979	0.976	-
	Semi-log linear	-236.646	0.122	0.004	30.525	0.991	0.990	12.97
2001-02 to 2010-11	Simple linear	-2029245.375	1015.274	65.476	15.506	0.968	0.964	-
	Semi-log linear	-305.257	0.157	0.006	24.539	0.987	0.985	16.99

TABLE 29

RESULTS OF TREND ANALYSIS FOR THE TOTAL PER CAPITA TAX REVENUE AT CURRENT PRICES IN INDIA

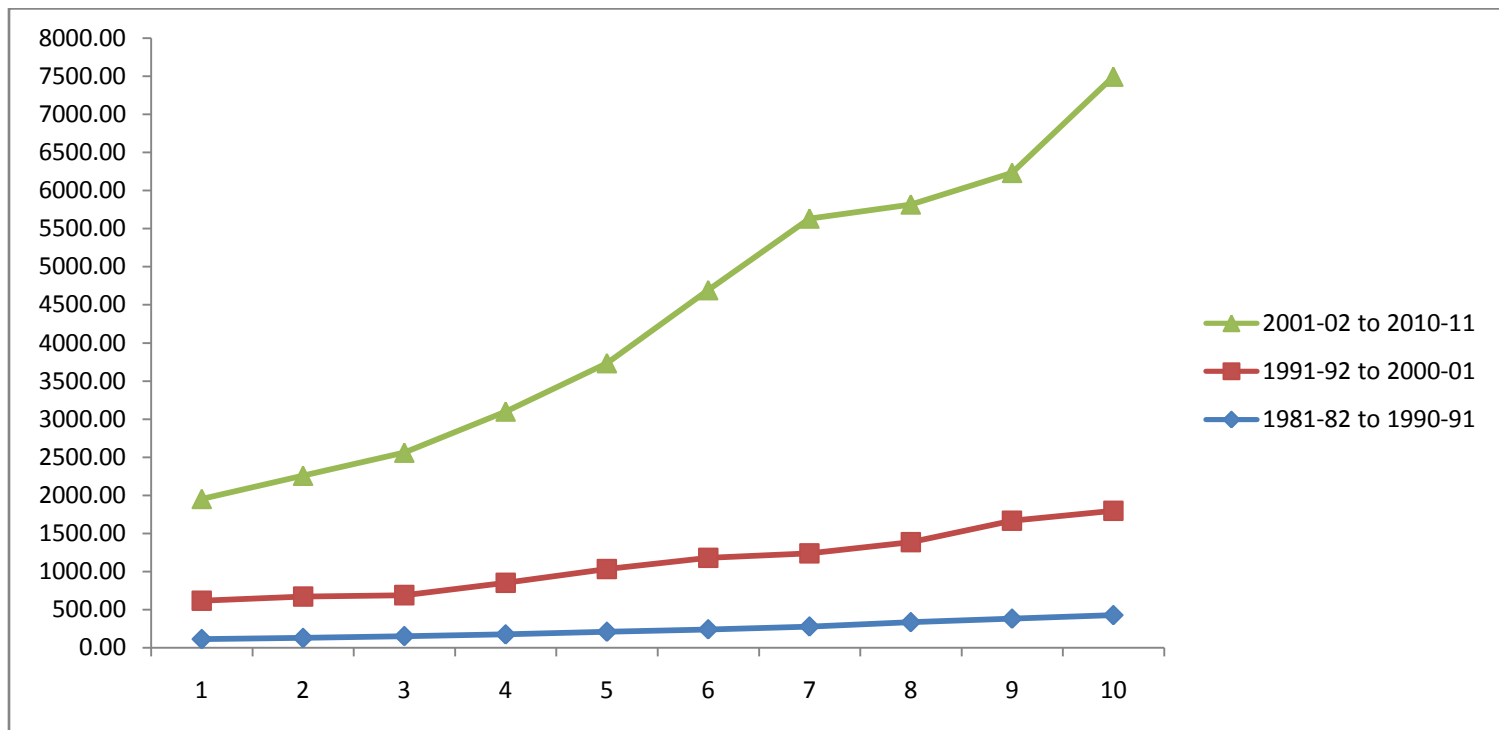
Year	Model	A	b	SE of b	t	R ²	Adj.R ²	CGR
1981-82 to 1990-91	Simple linear	-155380.753	78.580	4.369	17.985	0.976	0.973	-
	Semi-log linear	-243.869	0.126	0.002	75.368	0.999	0.998	13.43
1991-92 to 2000-01	Simple linear	-391492.895	197.173	9.622	20.493	0.981	0.979	-
	Semi-log linear	-197.730	0.103	0.004	25.819	0.988	0.987	10.85
2001-02 to 2010-11	Simple linear	-1638257.267	819.917	51.219	16.008	0.970	0.966	-
	Semi-log linear	-276.013	0.143	0.006	22.483	0.984	0.982	15.37

TABLE 30

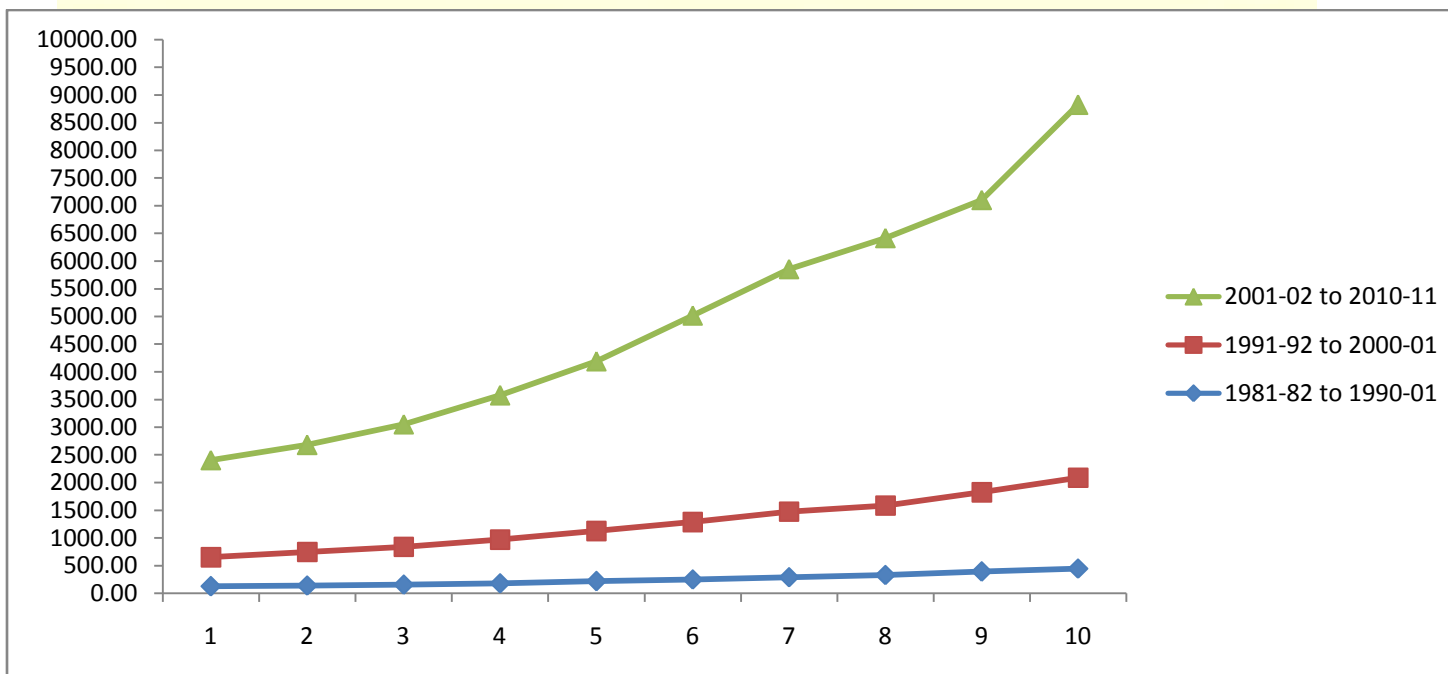
RESULTS OF TREND ANALYSIS FOR THE TOTAL PER CAPITA TAX REVENUE AT CONSTANT PRICES IN INDIA

Year	Model	A	b	SE of b	t	R ²	Adj.R ²	CGR
1981-82 to 1990-91	Simple linear	-236619.619	120.188	5.314	22.617	0.985	0.983	-
	Semi-log linear	-112.931	0.061	0.003	20.652	0.982	0.979	6.29
1991-92 to 2000-01	Simple linear	-247114.269	125.313	10.335	12.126	0.948	0.942	-
	Semi-log linear	-76.476	0.042	0.003	13.196	0.956	0.951	4.29
2001-02 to 2010-11	Simple linear	-895002.075	448.943	34.715	12.932	0.954	0.949	-
	Semi-log linear	-166.402	0.087	0.007	12.787	0.953	0.948	9.09

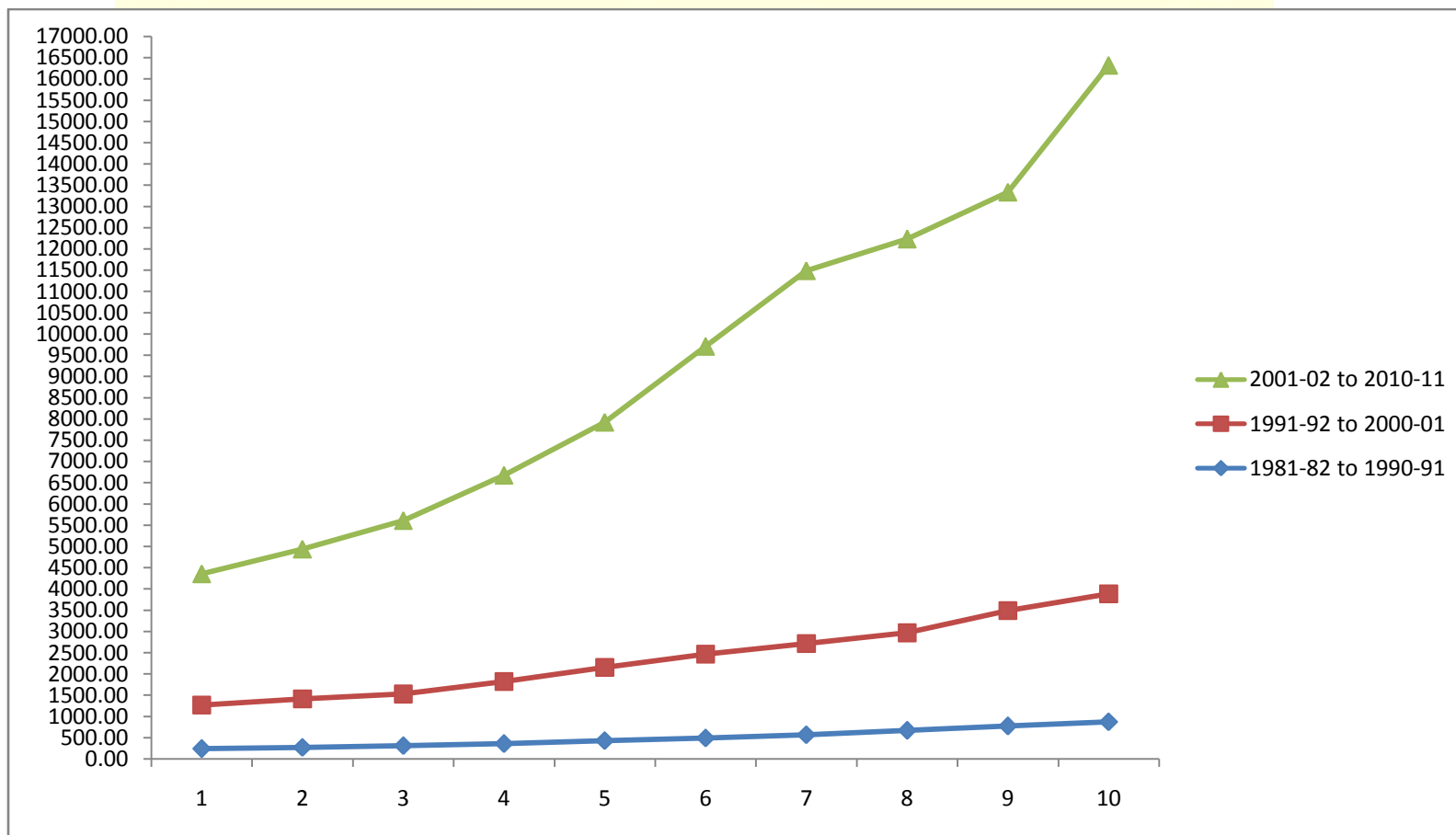
GRTAPH 1
TAX REVENUE OF THE CENTRAL GOVERNMENT OF INDIA



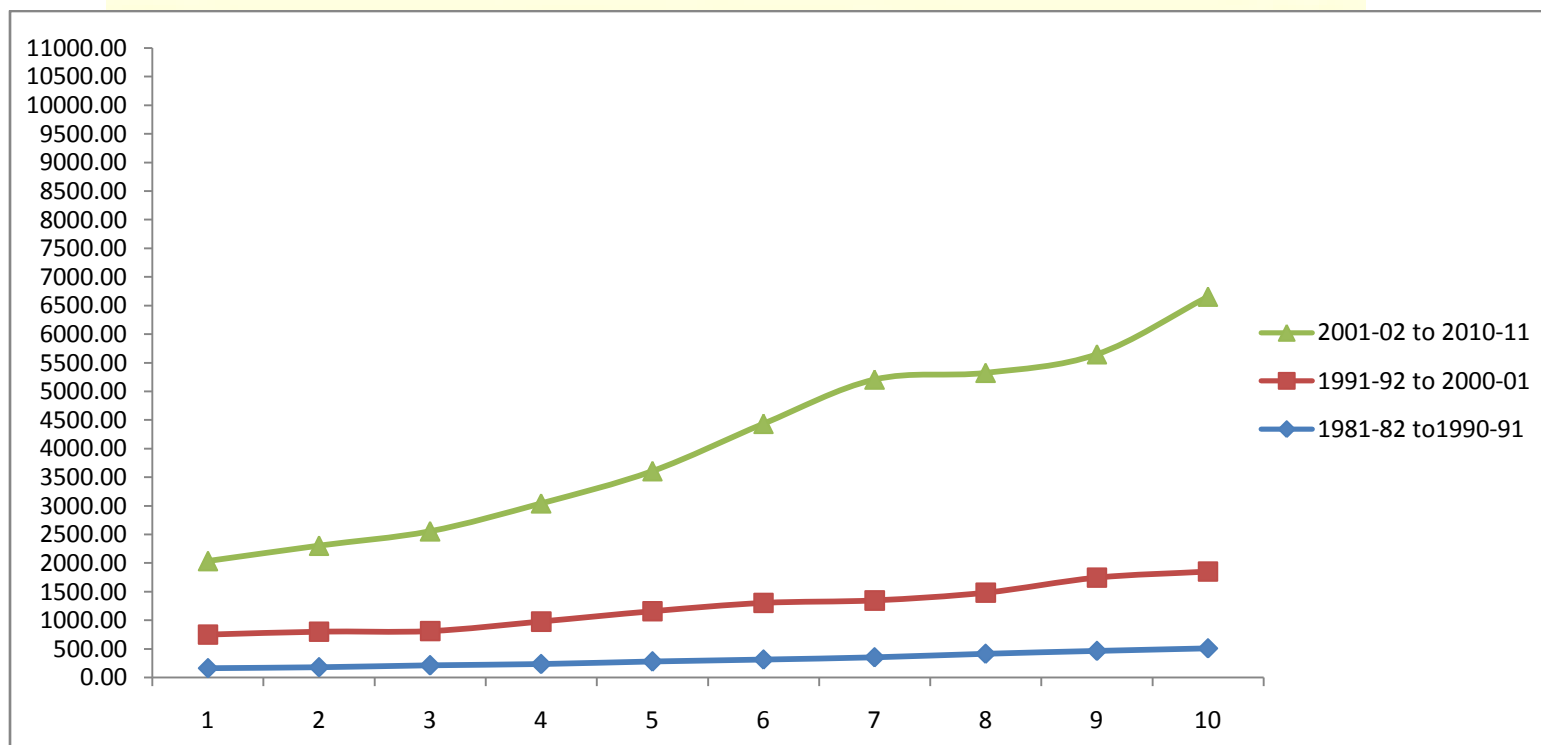
GRTAPH 2
TAX REVENUE OF THE STATE GOVERNMENT OF INDIA



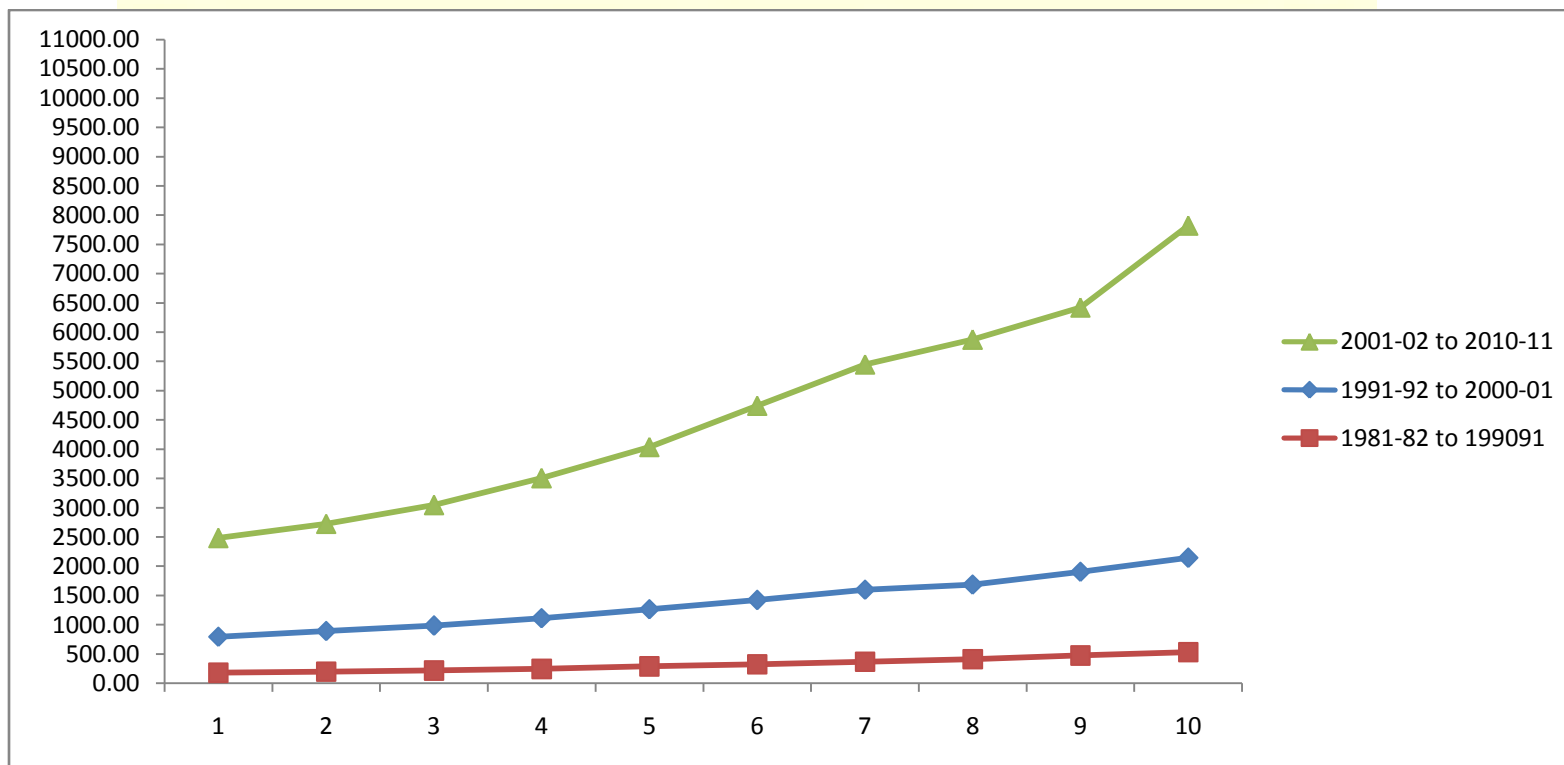
GRTAPH 3
TOTAL TAX REVENUE OF THE CENTRAL AND STATE GOVERNMENTS OF INDIA



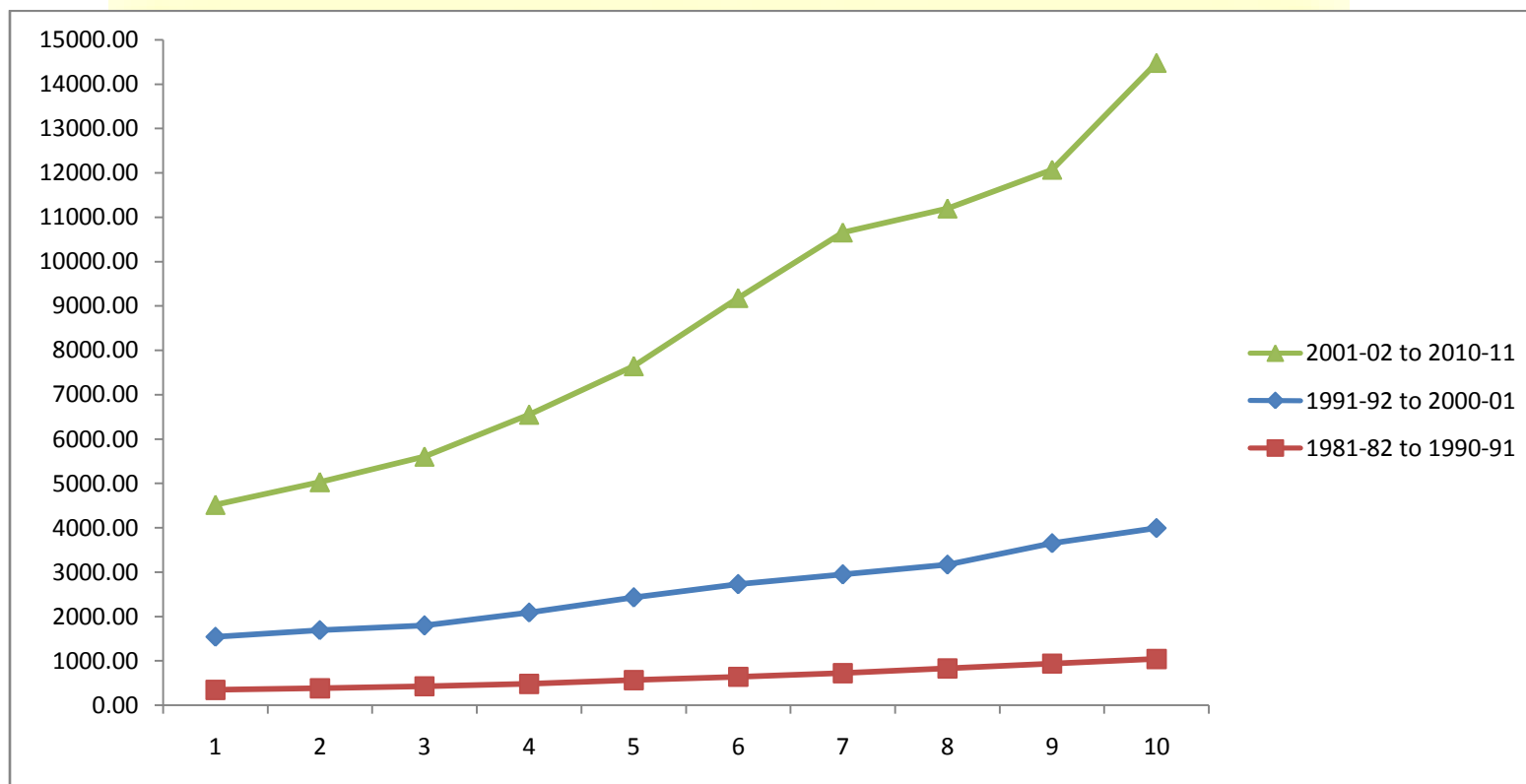
GRTAPH 4
PER CAPITA TAX REVENUE OF THE CENTRAL GOVERNMENT OF INDIA AT CURRENT PRICES



GRTAPH 5
PER CAPITA TAX REVENUE OF THE STATE GOVERNMENTS OF INDIA AT CURRENT PRICES

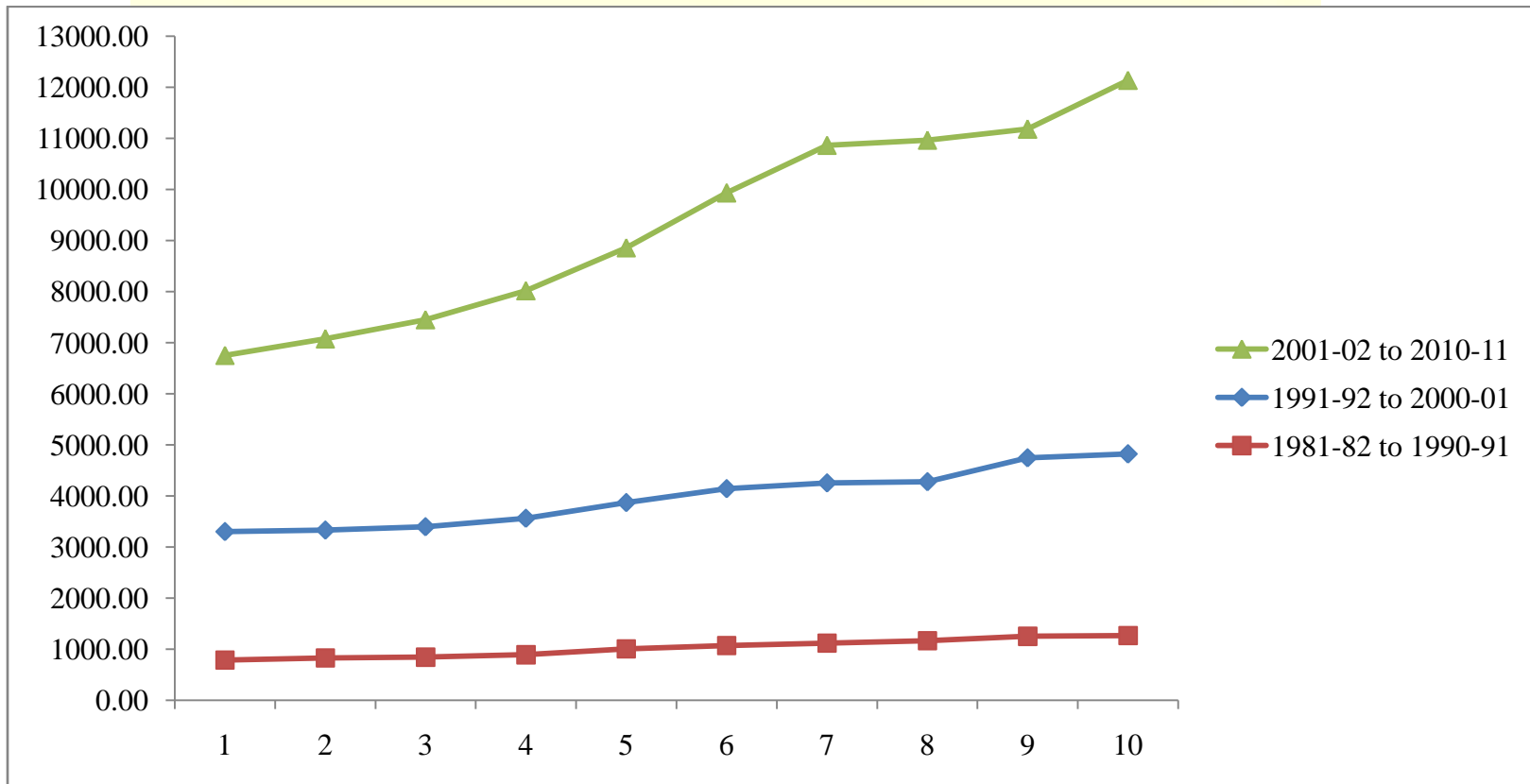


GRTAPH 6
TOTAL PER CAPITA TAX REVENUE OF THE CENTRAL AND STATE GOVERNMENTS OF INDIA AT CURRENT PRICES



GRTAPH 7

TOTAL PER CAPITA TAX REVENUE CENTRAL AND STATE GOVERNMENTS OF INDIA AT CONSTANT PRICES



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