

Thirteenth Finance Commission

PUBLIC NOTICE

1. The Thirteenth Finance Commission invites suggestions on issues related to its terms of reference from the members of the general public, Institutions and Organizations.
2. The Thirteenth Finance Commission has been constituted in pursuance of the provisions of Article 280 of the Constitution of India by the President under the Chairmanship of Dr. Vijay L. Kelkar vide a Notification dated 13th November, 2007. The Commission shall make recommendations covering a period of five years commencing on the 1st April 2010 as to the following matters :-
 - (i) the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under Chapter I Part XII of the Constitution and the allocation between the States of the respective shares of such proceeds;
 - (ii) the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India and the sums to be paid to the States which are in need of assistance by way of grants-in-aid of their revenues under article 275 of the Constitution for purposes other than those specified in the provisos to clause (1) of that article; and
 - (iii) the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats and Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State.
3. The Commission shall review the state of the finances of the Union and the States, keeping in view, in particular, the operation of the States' Debt Consolidation and Relief Facility 2005-2010 introduced by the Central Government on the basis of the recommendations of the Twelfth Finance Commission, and suggest measures for maintaining a stable and sustainable fiscal environment consistent with equitable growth.
4. In making its recommendations, the Commission shall have regard, among other considerations, to -
 - (i) the resources of the Central Government, for five years commencing on 1st April 2010, on the basis of levels of taxation and non-tax revenues likely to be reached at the end of 2008-09;

- (ii) the demands on the resources of the Central Government, in particular, on account of the projected Gross Budgetary Support to the Central and State Plan, expenditure on civil administration, defence, internal and border security, debt-servicing and other committed expenditure and liabilities;
- (iii) the resources of the State Governments, for the five years commencing on 1st April 2010, on the basis of levels of taxation and non-tax revenues likely to be reached at the end of 2008-09;
- (iv) the objective of not only balancing the receipts and expenditure on revenue account of all the States and the Union, but also generating surpluses for capital investment;
- (v) the taxation efforts of the Central Government and each State Government and the potential for additional resource mobilisation to improve the tax-Gross Domestic Product ratio in the case of the Union and tax-Gross State Domestic Product ratio in the case of the States;
- (vi) the impact of the proposed implementation of Goods and Services Tax with effect from 1st April, 2010, including its impact on the country's foreign trade;
- (vii) the need to improve the quality of public expenditure to obtain better outputs and outcomes;
- (viii) the need to manage ecology, environment and climate change consistent with sustainable development;
- (ix) the expenditure on the non-salary component of maintenance and upkeep of capital assets and the non-wage related maintenance expenditure on plan schemes to be completed by 31st March, 2010 and the norms on the basis of which specific amounts are recommended for the maintenance of the capital assets and the manner of monitoring such expenditure;
- (x) the need for ensuring the commercial viability of irrigation projects, power projects, departmental undertakings and public sector enterprises through various means, including levy of user charges and adoption of measures to promote efficiency.

5. In making its recommendations on various matters, the Commission shall take the base of population figures as of 1971, in all such cases where population is a factor for determination of devolution of taxes and duties and grants-in-aid.

6. The Commission may review the present arrangements as regards financing of Disaster Management with reference to the National Calamity Contingency Fund and the Calamity Relief Fund and the funds envisaged in the Disaster Management Act, 2005(53 of 2005), and make appropriate recommendations thereon.
7. The Commission shall indicate the basis on which it has arrived at its findings and make available the estimates of receipts and expenditure of the Union and each of the States.
8. This notice as well as relevant material on the previous Finance Commissions is available on the website of the Finance Commission <http://fincomindia.nic.in/>
9. The Finance Commission would encourage suggestions/views from all interested organisations and individuals which may be sent by 31st March, 2008 in any of the following manner :
 - (i) By post, addressed to the Secretary, Thirteenth Finance Commission, Jeevan Bharti Building, Tower-1, Ground Floor, Parliament Street, New Delhi – 110 001.
 - (ii) Through e-mail to : secy-tfc@nic.in
 - (iii) Through website <http://fincomindia.nic.in> by clicking on hyperlink 'call for suggestions'.