

## **Annex III**

### **Template for the Report of the State Finance Commission**

#### **Chapter I. Introduction**

- a. Constitution of the Commission**
- b. Terms of Reference**
- c. Design of the Report**

#### **Chapter II. Approach, Methodology and Issues**

#### **Chapter III. State Finances**

- a. Structure of the Economy**
- b. A Review of Growth and Development**
- c. A critical Analysis of the State Finances**

#### **Chapter IV. A Review of the Status of Decentralised Governance and Devolution**

- a. Functional Devolution**
- b. Financial Devolution**
- c. Administrative Devolution**

#### **Chapter V. Assessment Of Finances of PRIs**

##### **To be done for Zila Panchayats, Block Panchayats, and Gram Panchayats**

- i. Tax Revenue**
    - a. Taxes on Buildings and Land**
    - b. Taxes on Non-motorized Vehicles**
    - c. Taxes on Advertisements and Hoardings**
    - d. Pilgrim tax**
    - e. Entertainment Tax**
    - f. Any Other Tax**
  - ii. Non-Tax Revenue**
    - a. User Charges**
    - b. Fees**
    - c. Royalty on Minor Minerals**
    - d. Dividend**
    - e. Interest**
    - f. Other**
- B. Transfer from State Government**
- a. Assigned Taxes**
  - b. Share in State taxes**
  - c. General Purpose Grants**
  - d. Special Purpose Grants**
  - e. Transfers for Agency Functions**

- C. Transfer from the Central Government**
  - a. Transfers by the Finance Commission**
  - b. Transfers for Agency Functions**
- D. Expenditure on Revenue Account**
  - a. Administration**
  - b. Civic Functions**
    - i. Water Supply**
    - ii. Street Lighting**
    - iii. Sanitation**
    - iv. Solid Waste Disposal**
  - c. Expenditure on Maintenance of Community Assets**
  - d. Expenditure on Schemes Assigned by the State Government**
  - e. Expenditure on Schemes Assigned by the Central Govt.**
  - f. Expenditure on interest.**
- E. Capital Expenditure**
- F. Borrowings**
- G. Net Budgetary Position**
- H. A Review of Fiscal and Financial Management**

**Chapter VI. Urban Local Bodies and Fiscal Management**

- a. Trends in Urbanisation**
- b. Assessment of the Finances of the ULBs**
  - i. Nagar Panchayats**
  - ii. Municipal Council**
  - iii. Municipal Corporation**

**Chapter VII. Review of Debt Position and Management**

**Chapter VIII. Financial Performance of Three Rural and Urban Bodies**

- A. Rural Local Bodies**
  - a. Zila Panchayat**
  - b. Block Panchayat**
  - G. Gram panchayat**
- B. Urban Local Bodies**
  - a. Municipal Corporation**
  - b. Municipal Board**
  - c. Nagar Panchayat**

**Chapter VIII. Assessment of the Gap in Financial Resources and Scheme of Devolution**

- A. Assessment of the Gap**
  - a. Rural Local Bodies**
    - i. Zila Panchayats**
    - ii. Block Panchayats**
    - iii. Gram Panchayats**

- b. Urban Local Bodies**
  - i. Nagar Panchayats**
  - ii. Municipal Council**
  - iii. Municipal Corporation**
- B. Scheme of Devolution**
  - a. Scheme of devolution recommended by the past SFCs**
  - b. Scheme of Devolution**
    - i. Assigned Taxes**
    - ii. Share in State Taxes.**
  - c. Share of the PRIs and Inter se distribution**
  - d. Share of the ULBs and Inter se distribution**
  - e. Grants-in-aid**

**Chapter IX. General Observations and Concluding Remarks**

**Chapter X Summary of Recommendations**