

Own Revenue & Funding Sources of PRIs in Maharashtra

**Rashtriya Gram Swaraj Abhiyan
Government of Maharashtra**

- The Panchyat Raj Institutes in Maharashtra are governed by two separate Acts:-
 1. Maharashtra Zilla Parishad & Panchayat Samiti Act, 1961 &
 2. Maharashtra Village Panchayat Act, 1959
- The Rules under these Acts are framed and also there are different functional rules for GPs.

Status of Devolution

- The 29 subjects listed in schedule XI of the constitution are to be entrusted to the Panchayat Raj Institutions.
- The State Government has transferred 11 subjects fully & 8 subjects partially to Panchayat Raj Institutions by statute
- The subjects are transferred to PRIs along with devolution of funds and functionaries.

Own Revenue & Funding Sources

The PRIs in the State have mainly four financial resources

1. Tax Revenue
2. Non Tax Revenue
3. Grants
4. Loans and other Resources

1. Tax Revenue

1. Tax Revenue includes revenue generated through tax levied & collected by PRIs. It contains levy, collection and appropriation of taxes, cess, fees, toll, user charges etc.
2. The rates are subject to maxima and minima decided by the State Government under law or the administrative orders.
3. Tax Revenue also includes tax levied and collected by the state and a part/ percentage is allocated to the PRIs.

2. Non Tax Revenue

1. Revenue received by PRIs from rent, lease/sale/transfer of property, from sale proceeds.
2. Donations, contribution.
3. Corporate Social Responsibility (CSR).
4. Performance Incentives.

3. GRANTS

1. Funds received by PRIs through fiscal transfer from the State under State & CSS such as National Finance Commission (NFC) grants, Grants-in-aid of tied nature from State Govt. for specific activities/schemes.
2. Establishment grants
3. Grants for implementation of CSS/different development programmes

4. Loans & Other Financial Resources

1. Zilla Parishads & Village Panchayats are entitled for loans, from the State Govt.
2. PRIs can also mobilize resources through CSR.
3. Community Contribution/Participation

Gram Panchayat - OSR

Maharashtra Gram Panchayat Act, 1959

- A. Taxes & Fees levied and collected by GPs.(Sec.124)
- B. Taxes levied and collected by State Govt. and granted fully or partially to GPs. (Sec.127)
- C. Non Tax Revenue
- D. Grant-in-aid to GPs by State Govt.
- E. Loans and other Resources

Gram Panchayat - OSR

A) TAXES LEVIED AND COLLECTED BY GPs

I) MGP Act, 1959 under sec.124 empowers GPs to levy taxes :

(1) : Tax on Land & Buildings

(1A) : Land Improvement Tax

(2) : Octori Deleted

(3) : Pilgrim Tax- A pilgrim is a person who enters the village, who is not resident of that village and during the period decided by the panchayat with the approval of standing committee of Zilla Parishad.

(4) : Tax on Fairs, Festivals and Other Entertainments

Gram Panchayat - OSR

A) TAXES LEVIED AND COLLECTED BY GPs

I) MGP Act under Sec.124 empowers GPs to levy taxes :

- (5) : Tax on cycles & vehicles pulled by animals
- (6A) : Tax on shops & hotels
- (6B) : Tax on bussiness & occupation run on machines, other than Agriculture
- (6C) : Tax on brokers in cattle markets
- (7) : General Sanitary Cess
- (8) : General water tax
- (8A) : Lighting Tax
- (9) : Any other tax, aproved by the State Govt.

Gram Panchayat - OSR

II) Act under sec.124 empowers GPs to levy fees :

- (10) : Fee on Markets and Weekly Bazaars
- (11) : Parking fee (Vehicles & Tanga)
- (12) : Special Water Rate
- (13) : Fee on water supply from panchayat wells & ponds
- (14) : Fee on temporary use, occupancy or construction on public road or land
- (15) : Special Sanitary Cess

Gram Panchayat - OSR

II) Act under sec.124 empowers GPs to levy fees :

(16) : Fee on cleaning drainage pits on public land

(17) : Fee for Grazing Cattles on Grazing lands
(Gairan)

(18) : Fee on the registration of Animals sold in any
market under the area of Panchayat

Gram Panchayat - OSR

B) Taxes Levied and Collected by State Govt. and Part/ Percentage allocated to GPs (Sec. 127)

1. Stamp Duty- State Govt has imposed one percent additional stamp duty, which is allocated equally to concerned GP & ZP.
2. Land Revenue grants- State Govt. levies 100 piase cess on every one rupee of general land revenue and is then paid to the concerned GP
3. Equalization Grants – if land revenue grant is less than one rupee per capita of the population, then GP is entitled to the grant equal to the difference.
4. Royalty on minor minerals

Gram Panchayat - OSR

C. Non Tax Revenue (Sec.55,57)

1. Rent on Shops, Rooms, Markets etc. constructed by GP.
2. Sale of dung, Dead bodies of animals, Soil, Waste material etc.
3. The amount received for management and implementation of tasks entrusted by State Govt., ZP, or PS.
4. Fee received for serving Notices, warrants.
5. Donations and Contributions
6. Loan from Zilla Parishad (DVDF)
7. Loan from any Financing Institution

Gram Panchayat - OSR

D) Grant-in-aid to GPs by State Govt.

1. Equalization Grants (Sec 132)
2. Establishment grants- The staffing pattern of GPs is sanctioned by the State Govt. on the basis of population of the GP. On the basis of population and incom of the GP, 100 %, 75 % or 50 % establishment grants are given to the GP
3. Central & State Finance Commission
4. Street light electricity bills (100%)
5. Water supply scheme electricity bills (50%)
6. Honorarium to Sarpanch & Upsarpanch- is given by the State Govt. on the basis of GP population.

Gram Panchayat - OSR

E) Loans and other Resources

1. Loan from Zilla Parishad (DVDF)
2. Loan from any Financing Institution
3. Donations and Contributions
4. CSR
5. Performance Incentives- The incentives/awards under different programmes of the State Govt. are given to the GPs on the basis of performance

Zilla Parishad and Panchayat Samiti - OSR

A) TAXES LEVIED AND COLLECTED BY ZP

MZP & PS Act, 1961 under sec.143 to 158 empowers ZPs to levy and Collect taxes & Fees:

- (1) : General Water Tax in regional water supply scheme
- (2) : Pilgrim Tax
- (3) : Special Tax on Land & Building
- (4) : Water rates in respect of water supply to lands or buildings from irrigation works vesting in Zilla Parishad

Zilla Parishad and Panchayat Samiti - OSR

A) TAXES LEVIED AND COLLECTED BY ZP

- (5) : Tax on Land benefited by irrigation or
developmental work undertaken by Zilla Parishad
- (6) : License fee on Brokers, Agents
- (7) : Market fees for selling goods in the market
- (8) : fees on registration of animals sold in the market.

Zilla Parishad and Panchayat Samiti - OSR

B) Taxes Levied and Collected by State Govt. and Part/ Percentage allocated to ZP/PS

1. Cess on water rate (Sec 146)
2. Cess on Land Revenue (Sec 144)
3. Increase Cess on Land Revenue (Sec 144)
4. Stamp Duty (Sec 158)

Zilla Parishad and Panchayat Samiti - OSR

C. Non Tax Revenue ZP/PS

1. Revenue from Rent, Lease/sell/transfer of movable/immovable property vested in ZP/PS (Sec 128)
2. Rents & Profits accrued from properties vested in ZP (Sec 130).
3. Tolls and Leases on roads and bridges vested in ZP (Sec 130).
4. Interest on and the sale proceeds of securities and dividends held by ZP (Sec 130).

Zilla Parishad and Panchayat Samiti - OSR

C. Non Tax Revenue ZP/PS

5. Sums contributed by private persons including CSR. (Sec 130).
6. Penalty/ Fine realized (Sec 130).
7. Agency charges from the State Govt for execution and/or maintenance of any work / scheme entrusted to ZP/PS (Sec 123)..

Zilla Parishad and Panchayat Samiti - OSR

D) Grant-in-aid to ZP/PS by State Govt.

1. Grant of Forest Revenue (Sec 181)- ZP receives grants up to 7 % of the gross revenue realized from forest revenue of their respective jurisdiction.
2. Purposive Grants (Sec 182)- Grants from State Govt. for expenditure on works and development schemes transferred to ZP.
3. Establishment grants (Sec 183)- ZP receives 100 % of the salary of their regular employees from State Govt.
4. Local Cess Matching Grants (Sec 185)- ZPs are entitled to receive revenue on cess at the rate in excess of minimum rate prescribed by the State Govt.

Zilla Parishad and Panchayat Samiti - OSR

5. Incentive Grants (Sec 186)- ZPs receives performance grants from Govt. under various prizes/scheme.
6. Grants for Planned Schemes (Sec 187)- ZPs receives grants for such works and development schemes relating to any subject enumerated in District List included in State or District Plan.
7. Block Grants (Sec 188)- PS through ZP receives block grants for the implementation of the development schemes.
8. The Grant in aid from NFC & SFC -
9. Funds for transferred schemes (Sec 100) – some schemes are transferred permanently to ZP for implementation and maintenance.

Zilla Parishad and Panchayat Samiti - OSR

E) Loans and other Resources ZP/PS

- 1.** ZP may borrow money for the purposes of carrying out its functions from any bank or any other financial institution with approval of the State Govt.
- 2.** Donations and Contributions
- 3.** CSR
- 4.** Performance Incentives

THANK YOU