

APPENDIX

APPENDIX - I

It needs to be noted that the model data table given below is used in all cases to estimate the elasticity are different for different taxes, as that is determined by the number of discretionary measures in respect of different specific taxes.

Table - A and B below show Orissa's adjusted tax revenue (net of discretionary changes being removed by using equation (51), as noted in chapter - III), for the period 1961-62 to 1993-94.

**APPENDIX TABLE A: ADJUSTED TAX REVENUE SERIES OF ORISSA
STATE'S OWN TOTAL TAXES, OWN INDIRECT
TAXES, OWN DIRECT TAXES.
(Rs. in crores)**

Year	State's own total Taxes.	State's own Direct Taxes.	State's own Indirect Taxes.
(1)	(2)	(3)	(4)
1961-62	8.85	4.28	4.57
1962-63	9.68	4.71	4.97
1963-64	10.12	4.91	5.21
1964-65	12.62	4.88	47.74
1965-66	12.16	4.80	07.36

Contd..

(1)	(2)	(3)	(4)
1966-67	15.10	5.83	9.27
1967-68	18.69	5.28	13.41
1968-69	22.84	5.99	16.85
1969-70	24.73	6.22	18.51
1970-71	27.96	6.00	21.96
1971-72	29.25	6.73	22.52
1972-73	33.47	7.43	26.04
1973-74	34.45	8.06	26.39
1974-75	43.73	10.87	32.86
1975-76	56.72	12.02	44.70
1976-77	52.98	11.77	41.21
1977-78	53.35	13.21	40.14
1978-79	57.79	15.60	42.19
1979-80	86.54	17.79	68.75
1980-81	98.15	20.92	77.23
1981-82	113.31	23.35	89.96
1982-83	115.38	22.94	92.44
1983-84	134.11	28.01	106.14
1984-85	150.64	29.11	121.53
1985-86	153.82	31.27	122.55
1986-87	161.70	35.71	125.99
1987-88	179.57	46.63	132.94
1988-89	215.33	55.79	159.54
1989-90	294.79	64.99	229.80
1990-91	362.89	72.50	290.39
1991-92	396.93	69.80	327.13
1992-93	493.58	89.19	404.39
1993-94	598.27	102.13	496.14

APPENDIX TABLE -B: ADJUSTED TAX REVENUE SERIES OF STATE TAXES OF ORIS
(Rs.in crores)

Year.	Land Reve nue	Agri. Income Tax	Stamp Duty	Excise Tax	Motor . Vehicle Tax	Electri . city Duty
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1961-62	2.38	0.05	0.96	1.07	0.89	0.04
1962-63	2.74	0.08	0.97	1.07	0.92	0.04
1963-64	2.79	0.05	1.02	1.07	1.05	0.06
1964-65	2.67	0.06	1.09	1.19	1.06	0.65
1965-66	2.46	0.06	1.23	1.23	1.05	0.14
1966-67	2.48	0.07	1.49	1.88	1.79	0.41
1967-68	1.33	0.05	1.94	2.21	1.96	1.51
1968-69	1.41	0.07	2.05	2.84	2.46	1.41
1969-70	1.62	0.05	2.26	3.20	2.29	1.31
1970-71	1.17	0.07	2.35	3.22	2.41	1.93
1971-72	1.09	0.08	2.85	4.35	2.71	2.01
1972-73	1.34	0.07	2.93	4.57	3.09	2.20
1973-74	1.56	0.06	3.10	4.64	3.34	2.09
1974-75	2.38	0.06	4.22	4.71	4.21	3.19
1975-76	2.44	0.08	4.79	5.80	4.71	4.35
1976-77	2.55	0.10	4.62	6.08	4.50	5.42
1977-78	2.85	0.10	5.11	5.80	5.15	5.39
1978-79	3.50	0.00	6.10	5.90	6.00	7.64
1979-80	3.16	0.00	6.64	6.50	7.99	7.50
1980-81	4.65	0.00	6.93	7.80	9.34	7.53
1981-82	4.10	0.00	8.41	8.18	10.84	8.97
1982-83	3.85	0.00	10.24	8.91	8.85	9.09
1983-84	7.53	0.00	10.93	10.99	9.55	12.30
1984-85	6.07	0.00	12.29	13.60	10.75	16.04
1985-86	6.45	0.00	14.20	11.64	10.62	12.03
1986-87	7.09	0.00	16.79	12.43	11.83	11.71
1987-88	13.61	0.00	19.89	15.25	13.13	5.70
1988-89	17.26	0.00	23.89	19.70	14.64	10.50
1989-90	22.03	0.00	25.48	26.72	17.48	24.78
1990-91	23.19	0.00	26.94	33.08	22.37	31.42
1991-92	10.41	0.00	30.94	41.51	28.45	28.19
1992-93	10.89	0.00	39.47	49.54	38.83	28.49
1993-94	7.13	0.00	50.31	60.01	44.69	37.27

APPENDIX TABLE - C: RELATION BETWEEN PERCAPITA INCOME AND STATE'S OWN TAX REVENUE OF ORISSA. (RS)

Year.	Percapita. Income.	Percapita. State Tax.	Column 3 as a % of Column 2
(1)	(2)	(3)	(4)
1961-62	223.02	5.84	2.62
1962-63	270.26	7.35	2.72
1963-64	307.20	8.81	2.87
1964-65	335.66	9.87	2.94
1965-66	321.30	10.07	3.13
1966-67	387.35	10.63	2.74
1967-68	426.67	11.09	2.79
1968-69	453.99	12.53	2.76
1969-70	481.69	13.37	2.78
1970-71	484.93	15.32	3.16
1971-72	478.37	15.68	3.28
1972-73	577.86	17.62	3.05
1973-74	701.34	18.26	2.60
1974-75	716.56	21.35	2.98
1975-76	730.81	28.41	3.89
1976-77	689.89	32.94	4.77
1977-78	845.25	33.52	3.97
1978-79	872.29	38.72	4.44
1979-80	871.49	43.42	4.98
1980-81	1181.15	50.59	4.28
1981-82	1339.60	62.16	4.64
1982-83	1327.81	65.92	4.96
1983-84	1745.27	75.05	4.30
1984-85	1685.50	83.51	4.95
1985-86	1973.78	99.83	5.06
1986-87	2035.91	115.84	5.69
1987-88	2072.71	130.29	6.29
1988-89	2435.76	146.64	6.02
1989-90	2964.77	170.89	5.76
1990-91	3595.36	214.15	5.96
1991-92	4067.15	212.19	5.22
1992-93	4165.58	243.80	5.85
1993-94	4547.23	278.70	6.13

APPENDIX - II

CHELLIAH COMMITTEE'S RECOMMENDATIONS:
Under the new economic policy the Government of India has

realised that restructuring of our most complicated tax structure is essentially needed for transformation of the system. Accordingly, the Government set up a Tax Reforms Committee under the chairmanship of Dr. Raja J. Chelliah. The committee has given suggestions for a comprehensive tax reforms.

The committee has worked out an integrated body of consistent measures, keeping in view revenue buoyancy, simplicity, moderate rates for inducing better tax compliance and for reducing corruption, economic rationality and minimisation of harassment and of litigation. The package of committee's recommendations include reduction in the Income tax, Corporation tax and Gift tax rates, bringing the agricultural income tax within the ambit of central income tax, abolition of interest tax, covering all products other than petroleum and tobacco products within the ambit of VAT (value added tax, i.e.; a tax on inputs meaning all materials and services used in production) in place of excise duties and sales tax etc. and reducing the advalorem rate of import duties to 5,10,15,20,25,30 percent and 50 percent in case of non-essential consumer goods by March, 1990. The package of suggestions has been

given in a way to convert the present multi tax system in to two major tax system that is the income tax and VAT for greatly reduced cost of compliance to business and industry as well as lesser obstacles to the fast growth of the economy. It is a fact that at present, VAT system is prevalent in more than seventy countries of the world.

The committee is firm on this point that in view of the imperative need to increase economic efficiency and to improve export competitiveness, the country cannot afford to let the central and state Governments continue with the complicated and distortionary tax structures that have grown up.

The central Government has grown heavily upon the recommendations of the committee in framing the Budget proposals since 1992, with an aim at modernising and simplifying the structure with moderate rates. But the committee has hope that the whole package of measures would have to be put through without major modifications. It would be possible only after perfect agreement of state Governments with the centre and constitutional amendment accordingly. But no progress has been made in this direction. Hence the limping implementation of a comprehensive reform measures may be disastrous.