

Appendix Table 22: Distribution Criteria of the Net Proceeds of Income Tax

(Per cent)

Commission	States' Share in Income Tax	Weights for Distribution Criteria										Fiscal Discipline	Income distance	Fiscal capacity Distance
		Distance from Av. Population	Distance of Per Capita Income	Population	Inverse per capita Income * (Population)	Backwardness	Collection (Contribution)	Assessment	Area Adjusted	Infrastructure	Tax Effort			
1		3	4	5	6	7	8	9	10	11	12	13	14	15
First FC	55.0	—	—	80.0	—	—	20.0	—	—	—	—	—	—	—
Second FC	60.0	—	—	90.0	—	—	10.0	—	—	—	—	—	—	—
Third FC	66.6	—	—	80.0	—	—	20.0	—	—	—	—	—	—	—
Fourth FC	75.0	—	—	80.0	—	—	20.0	—	—	—	—	—	—	—
Fifth FC	75.0	—	—	90.0	—	—	—	10.0	—	—	—	—	—	—
Sixth FC	80.0	—	—	90.0	—	—	—	10.0	—	—	—	—	—	—
Seventh FC	85.0	—	—	90.0	—	—	—	10.0	—	—	—	—	—	—
Eighth FC	85.0	—	45.0	22.5	22.5	—	10.0	—	—	—	—	—	—	—
Ninth FC	85.0	45.0	—	22.5	11.25	11.25	—	10.0	—	—	—	—	—	—
Tenth FC	77.5	60.0	—	20.0	—	—	—	—	5.0	5.0	10.0	—	—	—
Eleventh FC	29.5*	62.5	—	10.0	—	—	—	—	7.5	7.5	5.0	7.5	—	—
Twelfth FC	30.5*	—	—	25.0	—	—	—	—	10.0	—	7.5	7.5	50.0	—
Thirteenth FC	32.0*	—	—	25.0	—	—	—	—	10.0	—	—	17.5	—	47.5

* Total share of States in net proceeds of all shareable Union Taxes.

Source : Reports of Finance Commissions.