Annex 6: Criteria and Weights used for Tax Devolution through successive Finance Commissions

FINANCE COMMISSION	Population	Contribution	Unspecified	Back-wardness	Income Distance	Inverse Per capita income	Poverty	Revenue equalisation	Non-Plan deficit	Area	Index of Infrastructure	Fiscal Discipline	Tax effort
FIRST (1952-57) Income Tax: 55 % Union Excise: 40 %	80.0 100.0	20.0											
SECOND (1957-62) Income Tax: 60 % Union Excise: 25 %	90.0 90.0	10.0	10.0										
THIRD (1962-66) Income Tax: 66.66 % Union Excise: 20 %	80.0	20.0	100.0										
FOURTH (1966-69) Income Tax: 75 % Union Excise: 20 %	80.0 80.0	20.0		20.0									
FIFTH (1969-74) Income Tax: 75 % Union Excise: 20 %	90.0 80.0	10.0		6.66	13.34								
SIXTH (1974-79) Income Tax: 80 % Union Excise: 20 %	90.0 75.0	10.0			25.0								
SEVENTH (1979-84) Income Tax: 85 % Union Excise: 40 %	90.0 25.0	10.0				25.0	25.0	25.0					
EIGHTH (1984-89) Income Tax: 85 % Union Excise: 45 %	22.5 25.0	10.0			45.0 50.0	22.5 25.0							
NINTH (1989-90) Income Tax: 85 % Union Excise: 40 %	22.5 25.0	10.0			45.0 50.0	11.25 12.5	11.25 12.5						
NINTH (1990-95) Income Tax: 85 % Union Excise: 45 %	22.5 25.0	10.0		11.25 12.5	45.0 33.5	11.25 12.5			16.5				
TENTH (1995-2000) Income Tax: 77.5 % Union Excise: 47.5 %	20.0 20.0				60.0 60.0					5.0 5.0	5.0 5.0	10 10	
ELEVENTH (2000-05) All Union Taxes: 29.5 %	10.0				62.5				7.5	7.5	5.0	7.5	
TWELFTH (2005-10) All Union Taxes: 30.5 %	25.0				50.0					10.0		7.5	7.5

Source: Report of the Twelfth Finance Commission 2005-10.