# CHAPTER THREE

## REVENUE SIGNIFICANCE OF ESTATE DUTY


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# :: CHAPTER - III ::

## REVENUE SIGNIFICANCE OF ESTATE DUTY

### 3.1 INTRODUCTION :

In this chapter we examine the growth of revenue from estate duty and revenue significance of estate duty. Revenue significance of estate duty is measured in three ways :

1. The revenue from estate duty is expressed as percentage of total revenue to total tax revenue both tax revenue and non tax revenue. This can be described as overall revenue significance of estate duty.
2. The revenue from estate duty as percentage of total tax revenue ( own tax revenue and shared tax revenue). This can be described as tax revenue significance of estate duty.
3. Revenue from estate duty is expressed as percentage of state's own tax revenue. This can be described as own tax revenue significance of estate duty.

## EMPERICAL ANALYSIS OF ESTATE DUTY WITH THE SPECIAL REFERENCE TO MAHARASHTRA :

### 3.2 THE GROWTH OF REVENUE FROM ESTATE DUTY :

Table No. 3.1 gives data for estate duty revenue for Maharashtra, Gujarat, Tamilnadu, Karnataka, West Bengal and All-States for the period under study. On the basis of this

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data we can make following observations.

i) It is clear that revenue from estate duty is growing at a low rate in all the states under study. The annual compound rate of growth of revenue at All-States level is 8.4%.

ii) West Bengal and Gujarat are two states where the growth rate of revenue from estate duty is significantly greater than the respective growth rate for All-States. In case of Maharashtra, Tamilnadu and Karnataka the respective growth rates are lower than the growth rate for West Bengal and Gujarat.

iii) If we rank the states by the amount of revenue from estate duty we get following ranking.

Tamilnadu, Maharashtra, West Bengal, Karnataka and Gujarat in the year 1960-61, and West Bengal, Maharashtra, Gujarat, Tamilnadu and Karnataka in the year 1984-85. From this it is clear that the relative position of Tamilnadu has gone down whereas, in case of West Bengal the relative position has significantly improved. However, Maharashtra's relative position has remained unchanged.

(Rs.in Lakhs)

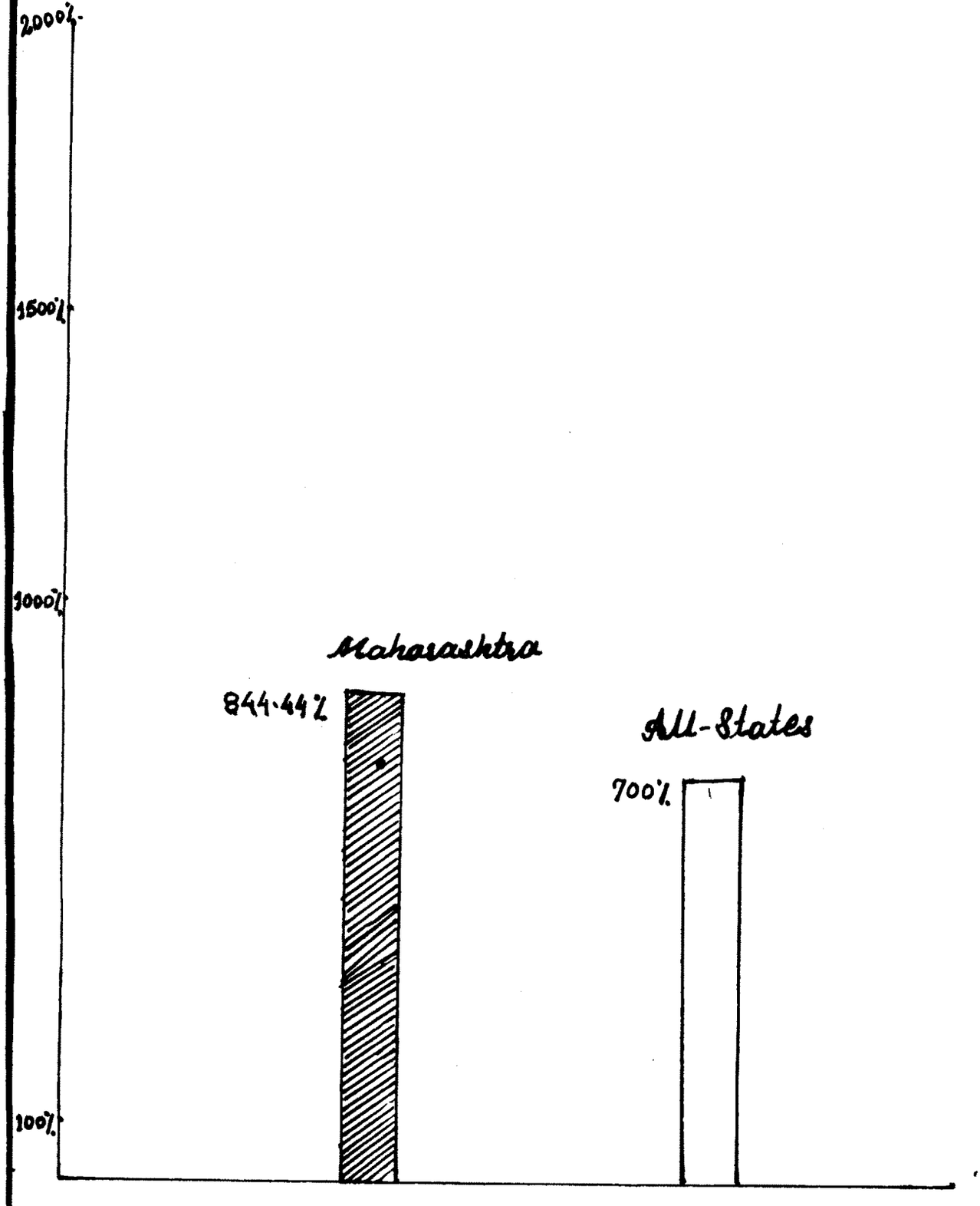
| Year | Maharas[illegible]ngal | All States |
|---|---|---|
| 1 | 2 | 7 |
| 1960 – 61 | 27[illegible] | 289 |
| 1961 – 62 | 35[illegible] | 389 |
| 1962 – 63 | 35[illegible] | 387 |
| 1963 – 64 | 39[illegible] | 422 |
| 1964 – 65 | 62[illegible] | 306 |
| 1965 – 66 | 62[illegible] | 678 |
| 1966 – 67 | 38[illegible] | 453 |
| 1967 – 68 | 147[illegible] | 657 |
| 1968 – 69 | 62[illegible] | 553 |
| 1969 – 70 | 64[illegible] | 699 |
| 1970 – 71 | 81[illegible] | 629 |
| 1971 – 72 | 70[illegible] | 766 |
| 1972 – 73 | 121[illegible] | 734 |
| 1973 – 74 | 127[illegible] | 1118 |
| 1974 – 75 | 75[illegible] | 978 |
| 1975 – 76 | 32[illegible] | 819 |
| 1976 – 77 | 35[illegible] | 899 |
| 1977 – 78 | 130[illegible] | 1016 |
| 1978 – 79 | 100[illegible] | 1081 |
| 1979 – 80 | 321[illegible] | 1104 |
| 1980 – 81 | 232[illegible] | 1168 |
| 1981 – 82 | 660[illegible] | 1706 |
| 1982 – 83 | 285[illegible] | 1595 |
| 1983 – 84 | 49[illegible] | 1455 |
| 1984 – 85 RE | 22[illegible]1 RE | 2023 RE |
| Overall increase | 84[illegible]5.00 | 700.00 |
| CGR | 9[illegible].2 | 8.4 |

Note : 1[illegible]

Source : [illegible], Gujarat, Tamilnadu, India Bulletins.

Graph no 1.

Overall % Increase in Revenue from Estate Duty — 1960-61 & 1984-85



iv) The overall increase in the revenue from estate duty is the highest in case of West Bengal and lowest in case of Karnataka. In case of Gujarat the overall increase in revenue from estate duty is much larger than in case of Maharashtra, Tamilnadu and Karnataka.

v) The percentage share of different states in the total revenue from estate duty is as under. :

| State | Year 1960-61 | 1984-85 |
|---|---|---|
| Maharashtra | 9.34% | 11.27% |
| Gujarat | 3.01% | 9.10% |
| Tamilnadu | 10.03% | 5.54% |
| Karnataka | 5.88% | 2.92% |
| West Bengal | 6.92% | 15.77% |

From these figures it is seen that in case of Maharashtra Gujarat and West Bengal, the relative share in All-States revenue from estate duty shows increase whereas in case of Tamilnadu and Karnataka the relative shares have declined, the decline being more pronounced in case of Tamilnadu and Karnataka.

vi) <u>COMPARISON OF GROWTH RATES</u> :

Following is the picture regarding compound growth rates of revenue from estate duty over the period 1961-62 to 1984-85.

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| State | Annual Compound Growth Rate. |
|---|---|
| Maharashtra | 9.2% |
| Gujarat | 12.2% |
| Tamilnadu | 5.8% |
| Karnataka | 5.3% |
| West Bengal | 13.2% |
| All States | 8.4% |

From this it is clear that the compound growth rate of revenue from estate duty is highest in case of West Bengal (12.2) and lowest in case of Karnataka (5.3). In case of Gujarat the growth rate is 12.2% which is much larger than the growth rate for All-States.

3.3 OVERALL REVENUE SIGNIFICANCE OF ESTATE DUTY :

Table No. 3.2 give information regarding overall revenue significance of estate duty for the period under study, for each year of the period under study in respect of Maharashtra, Gujarat, Tamilnadu, Karnataka, West Bengal and All-States together. Overall revenue significance of estate duty is measured in the following manner.

$$\text{Overall Revenue Significance of estate duty.} = \frac{\text{Revenue from estate duty}}{\text{Total Revenue}} \times 100$$

In this equation total revenue means states own tax revenue + States non Tax Revenue + Shared Tax Revenue and grants received.

The value received from this formula shows the significance of estate duty in the total revenue of the state.

i) On the basis of the data given in Table No. 3.2, it seems that except in case of West Bengal, the overall revenue significance is gradually decling. In case of West Bengal there are repeated fluctuations in the overall revenue significance of estate duty.

(Rs.in lakhs)

| Year | Maharashtra | | | G | All States. | | | |
|---|---|---|---|---|---|---|---|---|
| | TR | ED | 3 as % 2 | TR | 15 as % 14 | TR | ED | 18 as % 17 |
| 1 | 2 | 3 | 4 | 5 | 16 | 17 | 18 | 19 |
| 1960 – 61 | 11529 | 27 | 0.23 | 5185 | 0.21 | 101441 | 289 | 0.28 |
| 1961 – 62 | 11677 | 35 | 0.30 | 6200 | 0.29 | 107349 | 389 | 0.36 |
| 1962 – 63 | 14593 | 35 | 0.24 | 8215 | 0.27 | 128386 | 387 | 0.30 |
| 1963 – 64 | 18361 | 39 | 0.21 | 8392 | 0.27 | 149020 | 422 | 0.28 |
| 1964 – 65 | 19843 | 62 | 0.31 | 9659 | 0.37 | 173498 | 306 | 0.18 |
| 1965 – 66 | 22147 | 62 | 0.28 | 14374 | 0.32 | 185021 | 678 | 0.37 |
| 1966 – 67 | 26570 | 38 | 0.14 | 12933 | 0.17 | 213520 | 453 | 0.21 |
| 1967 – 68 | 29314 | 147 | 0.50 | 13934 | 0.61 | 232468 | 657 | 0.28 |
| 1968 – 69 | 34549 | 62 | 0.18 | 15039 | 0.20 | 267000 | 553 | 0.33 |
| 1969 – 70 | 37703 | 64 | 0.17 | 18179 | 0.21 | 305270 | 699 | 0.23 |
| 1970 – 71 | 43114 | 81 | 0.19 | 20892 | 0.25 | 337049 | 629 | 0.19 |
| 1971 – 72 | 49461 | 70 | 0.14 | 24625 | 0.09 | 404472 | 766 | 0.19 |
| 1972 – 73 | 59254 | 121 | 0.20 | 29113 | 0.23 | 491235 | 734 | 0.15 |
| 1973 – 74 | 77103 | 127 | 0.16 | 33639 | 0.27 | 555200 | 1118 | 0.20 |
| 1974 – 75 | 85067 | 75 | 0.09 | 37584 | 0.07 | 643115 | 978 | 0.15 |
| 1975 – 76 | 104938 | 32 | 0.03 | 45327 | 0.19 | 793816 | 819 | 0.10 |
| 1976 – 77 | 120483 | 35 | 0.02 | 53535 | 0.11 | 903702 | 899 | 0.10 |
| 1977 – 78 | 129020 | 130 | 0.10 | 61617 | 0.11 | 993057 | 1016 | 0.10 |
| 1978 – 79 | 153345 | 100 | 0.06 | 67439 | 0.10 | 1164669 | 1081 | 0.09 |
| 1979 – 80 | 179433 | 321 | 0.18 | 83656 | 0.13 | 1362931 | 1104 | 0.08 |
| 1980 – 81 | 203806 | 232 | 0.11 | 10249 | 0.26 | 1629330 | 1168 | 0.07 |
| 1981 – 82 | 238540 | 660 | 0.28 | 11592 | 0.10 | 1845460 | 1706 | 0.09 |
| 1982 – 83 | 283820 | 285 | 0.10 | 13492 | 0.09 | 2112554 | 1595 | 0.08 |
| 1983 – 84 | 325198 | 49 | 0.02 | 15642 | 0.37 | 2401382 | 1455 | 0.06 |
| 1984 – 85 | 355052 RE | 228 RE | 0.06 | 17716 RE | 0.22 | 2767452 RE | 2023 RE | 0.07 |
| Overall increase | 3079.64 | 844.44 | | 3416.00 | | 2728.14 | 700.00 | |
| CGR | 15.3 | 9.2 | | 15.2 | | 14.8 | 8.4 | |
| Average | | | 0.168 | | 0.220 | | | 0.182 |

Note : RE: Revised Estimate, CGR : ( ED: Estate Duty.

ii) If we consider the average for entire period the overall revenue significance of estate duty is 0.17% in case of Maharashtra, 0.19% in case of Gujarat, 0.21% in case of Tamilnadu, 0.18% in case of Karnataka and 0.22% in case of West Bengal. All states together the overall revenue significance of estate duty is 0.18%. In other words the overall revenue significance of estate duty in case of Maharashtra is lower than All States average figure.

iii) If we compare the growth rate of total revenue with the growth rate of revenue from estate duty, it is only in case of West Bengal where revenue from estate duty has grown faster thanthe growth of total revenue. In case of Maharashtra, Gujarat, Tamilnadu and Karnataka the revenue from Estate Duty shows a significantly lower growth rate compared with the growth rate of total revenue.

On the whole it can be said that in the total revenue structure of the states, revenue from estate duty occupies an almost insignificant, place which has been shrinking during last 25 years.

3.4 TOTAL TAX REVENUE SIGNIFICANCE OF ESTATE DUTY :

Table No. 3.3 gives information regarding total tax revenue significance of estate duty, For all the years of the period under study in respect of Maharashtra, Gujarat, Tamilnadu,

Karnataka and West Bengal and All States together. The total tax revenue significance of estate duty is measured in the following manner.

$$\text{Total Tax Revenue Significance of Estate Duty.} = \frac{\text{Revenue from Estate Duty}}{\text{Total Tax Revenue}} \times$$

The total tax revenue significance of a particular tax shows its relative position in the total tax revenue of the state. On the basis of the data given in Table No. 3.3 we can make following observations.

(Rs. in lakhs)

| Year | Maharashtra | | | Gengal | | All States. | | |
|---|---|---|---|---|---|---|---|---|
| | TTR | ED | 3 as % 2 | TTR | 15 as % 14 | TTR | ED | 18 as % 17 |
| 1 | 2 | 3 | 4 | 5 | 16 | 17 | 18 | 19 |
| 1960 – 61 | 7994 | 27 | 0.33 | 377 | 0.30 | 61330 | 289 | 0.47 |
| 1961 – 62 | 8123 | 35 | 0.43 | 451 | 0.39 | 66259 | 389 | 0.59 |
| 1962 – 63 | 10347 | 35 | 0.33 | 482 | 0.36 | 79395 | 387 | 0.49 |
| 1963 – 64 | 12917 | 39 | 0.30 | 548 | 0.35 | 93906 | 422 | 0.45 |
| 1964 – 65 | 14196 | 62 | 0.43 | 631 | 0.49 | 102242 | 306 | 0.30 |
| 1965 – 66 | 15301 | 62 | 0.40 | 674 | 0.45 | 111775 | 678 | 0.61 |
| 1966 – 67 | 19639 | 38 | 0.19 | 813 | 0.23 | 130568 | 453 | 0.36 |
| 1967 – 68 | 21873 | 147 | 0.67 | 917 | 0.81 | 147276 | 657 | 0.45 |
| 1968 – 69 | 24557 | 62 | 0.25 | 1049 | 0.28 | 169220 | 553 | 0.33 |
| 1969 – 70 | 28197 | 64 | 0.22 | 1241 | 0.30 | 198089 | 699 | 0.35 |
| 1970 – 71 | 33596 | 81 | 0.24 | 1458 | 0.33 | 228350 | 629 | 0.28 |
| 1971 – 72 | 37560 | 70 | 0.18 | 1722 | 0.17 | 263650 | 766 | 0.29 |
| 1972 – 73 | 41603 | 121 | 0.29 | 1940 | 0.32 | 298973 | 734 | 0.25 |
| 1973 –74 | 50688 | 127 | 0.25 | 2098 | 0.26 | 346778 | 1118 | 0.32 |
| 1974 – 75 | 62113 | 75 | 0.12 | 2646 | 0.10 | 410906 | 978 | 0.24 |
| 1975 – 76 | 74749 | 32 | 0.42 | 3191 | 0.25 | 514529 | 819 | 0.16 |
| 1976 – 77 | 84834 | 35 | 0.04 | 3852 | 0.16 | 571326 | 899 | 0.16 |
| 1977 – 78 | 89354 | 130 | 0.14 | 4221 | 0.15 | 615505 | 1016 | 0.16 |
| 1978 – 79 | 104552 | 100 | 0.10 | 4696 | 0.15 | 692314 | 1081 | 0.16 |
| 1979 – 80 | 128244 | 321 | 0.25 | 6222 | 0.17 | 907595 | 1104 | 0.12 |
| 1980 – 81 | 146674 | 232 | 0.11 | 7206 | 0.26 | 1040509 | 1168 | 0.11 |
| 1981 – 82 | 175222 | 660 | 0.27 | 8687 | 0.10 | 1249398 | 1706 | 0.14 |
| 1982 – 83 | 206991 | 285 | 0.10 | 9742 | 0.09 | 1411875 | 1595 | 0.11 |
| 1983 – 84 | 227241 | 49 | 0.02 | 11057 | 0.48 | 1576093 | 1455 | 0.09 |
| 1984 – 85 | 246077 RE | 228 RE | 0.09 | 12784 RE | 0.27 | 1797705 RE | 2023 RE | 0.11 |
| Overall increase | 3078.27 | 844.44 | | 3387.00 | | 2931.53 | 700.00 | |
| CGR | 15.3 | 9.2 | | 15.82 | | 15.1 | 8.4 | |
| Average | | | 0.262 | | 0.289 | | | 0.284. |

Note : RE: Revised Estimates; TTR: Tot

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i) For All States together the total tax revenue significance shows a gradual decline during the period under study. This trend is applicable to Maharashtra, Gujarat, Tamilnadu and Karnataka. However, in case of West Bengal this trend is similar to other states up to the year 1982-83 but then the total tax revenue significance has jumped up significantly.

ii) Period as a whole the total tax revenue significance of estate duty in respect of All States together is 0.28%. In case of Tamilnadu, Karnataka and West Bengal it is slightly greater than All States average. However, in case of Maharashtra and Gujarat it is slightly lower than All States average.

iii) Compared with the growth rate of total tax revenue the growth rate of revenue from estate duty is lower in respect of Maharashtra, Gujarat, Tamilnadu, Karnataka but in case of West Bengal both total tax revenue and revenue from Estate duty have increased almost at same rate.

iv) Karnataka shows the highest total rax revenue significance of estate duty and Maharashtra shows the lowest total tax revenue significance of estate duty.

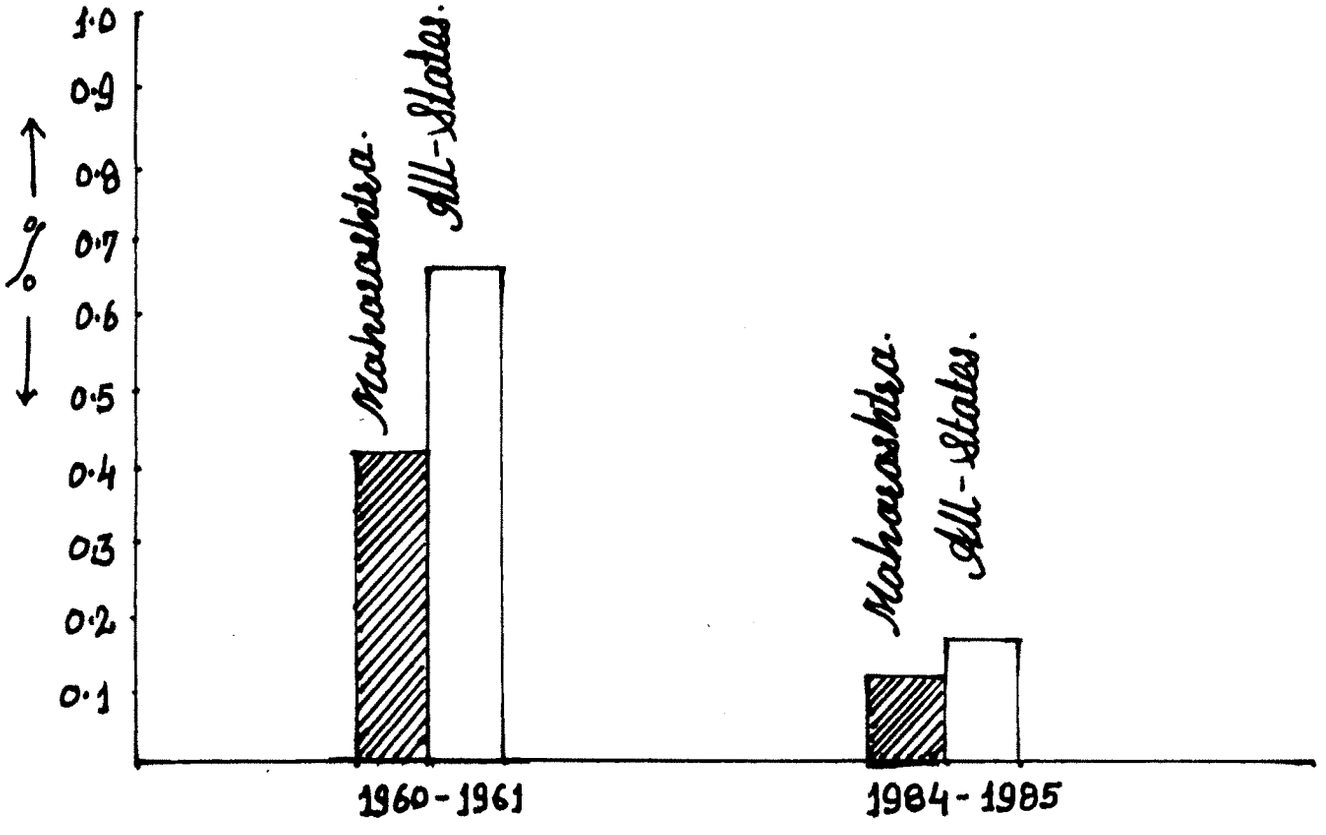
(Rs. in Lakhs)

| Year | Maharashtra | | | Gu | | All States. | | |
|---|---|---|---|---|---|---|---|---|
| | SOTR. | ED | 3 as % 2 | SOTR | as 14 | SOTR | ED | 18 as % 17 |
| *1 | 2 | 3 | 4 | 5 | 6 | 17 | 18 | 19 |
| 1960 – 61 | 6420 | 27 | 0.42 | 2065 | 41 | 43093 | 289 | 0.67 |
| 1961 – 62 | 6676 | 35 | 0.52 | 2710 | 51 | 48368 | 389 | 0.80 |
| 1962 – 63 | 7806 | 35 | 0.44 | 3447 | 48 | 56992 | 387 | 0.68 |
| 1963 – 64 | 10039 | 39 | 0.39 | 3917 | 46 | 68070 | 422 | 0.62 |
| 1964 – 65 | 11262 | 62 | 0.55 | 4772 | 63 | 76483 | 306 | 0.40 |
| 1965 – 66 | 12243 | 62 | 0.51 | 5089 | 56 | 84200 | 678 | 0.80 |
| 1966 – 67 | 15230 | 38 | 0.25 | 6070 | 31 | 93724 | 453 | 0.48 |
| 1967 – 68 | 16817 | 147 | 0.87 | 6902 | 10 | 106552 | 657 | 0.62 |
| 1968 – 69 | 18749 | 62 | 0.33 | 7783 | 39 | 120500 | 553 | 0.46 |
| 1969 – 70 | 21653 | 64 | 0.30 | 9294 | .42 | 125551 | 699 | 0.52 |
| 1970 – 71 | 25556 | 81 | 0.32 | 10808 | .50 | 152785 | 629 | 0.41 |
| 1971 – 72 | 27457 | 70 | 0.25 | 12509 | 25 | 169528 | 766 | 0.45 |
| 1972 – 73 | 30282 | 121 | 0.40 | 14097 | .48 | 192848 | 734 | 0.38 |
| 1973 – 74 | 38231 | 127 | 0.33 | 15119 | .51 | 230537 | 1118 | 0.48 |
| 1974 – 75 | 49787 | 75 | 0.15 | 20115 | .15 | 288057 | 978 | 0.34 |
| 1975 – 76 | 58596 | 32 | 0.05 | 23598 | .37 | 354616 | 819 | 0.23 |
| 1976 – 77 | 67997 | 35 | 0.05 | 29819 | .24 | 403345 | 899 | 0.22 |
| 1977 – 78 | 71280 | 130 | 0.18 | 32926 | .22 | 434924 | 1016 | 0.23 |
| 1978 – 79 | 85081 | 100 | 0.12 | 37262 | .22 | 497035 | 1081 | 0.22 |
| 1979 – 80 | 98085 | 321 | 0.33 | 44888 | .27 | 566914 | 1104 | 0.19 |
| 1980 – 81 | 113034 | 232 | 0.21 | 53102 | .55 | 661618 | 1168 | 0.18 |
| 1981 – 82 | 138368 | 660 | 0.48 | 66062 | .19 | 823432 | 1706 | 0.21 |
| 1982 – 83 | 164798 | 285 | 0.17 | 76303 | .20 | 948607 | 1595 | 0.17 |
| 1983 – 84 | 182249 | 49 | 0.03 | 87905 | .75 | 1075311 | 1455 | 0.14 |
| 1984 – 85 | 194528 RE | 288 RE | 0.12 | 99058 RE | .41 | 1223907 RE | 2023 RE | 0.17 |
| Overall increase % | 3030.03 | 844.44 | | 4796.99 | | 2840.15 | 700.00 | |
| CGR | 15.3 | 9.2 | | 17.5 | | 14.9 | 8.4 | |
| Average | | | 0.311 | | 423 | | | 0.403 |

Note : SOTR : State Own Tax Revenue, ED

Graph No. 2.

Own Tax Revenue Significance of Estate Duty - 1960-61 & 1984-1985



5. In case of all the states under study the rate of growth of revenue from estate duty is lower than the rate of growt of revenue from own taxes. The difference between the growt rates of revenue from estate duty and own tax revenue is very low in case of West Bengal and Gujarat, whereas in other states this disparity is significantly large.

3.6 OWN DIRECT TAX REVENUE SIGNIFICANCE OF ESTATE DUTY :

Table No. 3.5 gives information regarding own direct tax revenue significance of estate duty which is measured by :

$$\text{Own direct tax revenue significance of estate duty} = \frac{\text{Estate Duty}}{\text{Own direct tax revenue}} \times 100$$

This information is in respect of Maharashtra, Gujarat, Tamilnadu, Karnataka, West Bengal and All-States together. On the basis of this table we can make following observations.

i) In case of All-States together the own direct tax revenue significance of estate duty shows a long term declining trend.

ii) Similar trend is observed in case of Tamilnadu and Karnataka.

iii) However, in case of Maharashtra, Gujarat and West Bengal the own direct tax revenue significance of estate duty shows wide fluctuations over the period.

(Rs. in lakhs)

| Year | Maharashtra | | | Gu | All States. | | | |
|---|---|---|---|---|---|---|---|---|
| | SODTR | ED | 3 as % 2 | SODTR | 5 as % 14 | SODTR | ED | 18 as % 17 |
| 1 | 2 | 3 | 4 | 5 | 16 | 17 | 18 | 19 |
| 1960 – 61 | 1629 | 27 | 1.66 | 644 | 1.73 | 14651 | 289 | 1.97 |
| 1961 – 62 | 1398 | 35 | 2.50 | 709 | 2.24 | 15475 | 389 | 2.51 |
| 1962 – 63 | 1639 | 35 | 2.14 | 967 | 1.99 | 18578 | 387 | 2.08 |
| 1963 – 64 | 1712 | 39 | 2.28 | 909 | 2.42 | 19723 | 422 | 2.13 |
| 1964 – 65 | 1730 | 62 | 3.58 | 1101 | 3.22 | 20276 | 306 | 1.51 |
| 1965 – 66 | 1502 | 62 | 4.12 | 1085 | 3.17 | 20743 | 678 | 3.27 |
| 1966 – 67 | 1764 | 38 | 2.15 | 1032 | 1.95 | 18606 | 453 | 2.43 |
| 1967 – 68 | 2007 | 147 | 7.32 | 1153 | 6.79 | 21054 | 657 | 3.12 |
| 1968 – 69 | 2064 | 62 | 3.00 | 1148 | 2.86 | 22824 | 553 | 2.42 |
| 1969 – 70 | 2246 | 62 | 2.76 | 1385 | 2.87 | 23650 | 699 | 2.96 |
| 1970 – 71 | 2384 | 81 | 3.39 | 1590 | 4.40 | 25255 | 629 | 2.49 |
| 1971 – 72 | 2765 | 70 | 2.53 | 1899 | 2.54 | 25655 | 766 | 2.99 |
| 1972 – 73 | 2810 | 121 | 4.30 | 1442 | 5.09 | 25633 | 734 | 2.86 |
| 1973 – 74 | 3372 | 127 | 3.77 | 1631 | 4.71 | 34770 | 1118 | 3.22 |
| 1974 – 75 | 4061 | 75 | 1.85 | 1586 | 1.26 | 38805 | 978 | 2.52 |
| 1975 – 76 | 4983 | 32 | 0.64 | 2221 | 3.17 | 50200 | 819 | 1.63 |
| 1976 –77 | 5834 | 35 | 0.60 | 2408 | 2.12 | 48568 | 899 | 1.85 |
| 1977 – 78 | 6020 | 130 | 2.16 | 3133 | 1.97 | 55018 | 1016 | 1.85 |
| 1978 – 79 | 8073 | 100 | 1.24 | 3521 | 2.01 | 64444 | 1081 | 1.67 |
| 1979 – 80 | 8038 | 321 | 3.99 | 4187 | 2.78 | 63440 | 1104 | 1.74 |
| 1980 – 81 | 9071 | 232 | 2.56 | 5077 | 5.75 | 68480 | 1168 | 1.71 |
| 1981 – 82 | 10909 | 660 | 6.05 | 6185 | 2.14 | 83833 | 1706 | 2.03 |
| 1982 – 83 | 12872 | 285 | 2.21 | 6349 | 0.18 | 90692 | 1595 | 1.76 |
| 1983 – 84 | 13818 | 49 | 0.35 | 6969 | 4.94 | 102107 | 1455 | 1.42 |
| 1984 – 85 | 15223 RE | 228 RE | 1.50 | 7715 RE | 0.75 | 117555 RE | 2023 RE | 1.72 |
| Overall Increase % | 934.50 | 844.44 | | 1197.98 | 10 | 802.36 | 700.00 | |
| CGR | 9.7 | 9.2 | | 10.9 | | 9.0 | 8.4 | |
| Average | | | 2.72 | | 2.90 | | | 2.28 |

Note : SODTR : States Own Direct Tax R

Source

( Rs. in Lakhs)

| Year | Maharashtra | | | engal | | All States | | |
|---|---|---|---|---|---|---|---|---|
| | SDTR | ED | 3 as % 2 | SDTD | 15 as % 14 | SDTR | ED | 18 as % 17. |
| 1 | 2 | 3 | 4 | 5 | 16 | 17 | 18 | 19 |
| 1960 – 61 | 672 | 27 | 4.02 | 8720 | 1.75 | 9346 | 289 | 3.09 |
| 1961 – 62 | 723 | 35 | 4.84 | 9327 | 2.79 | 9826 | 389 | 3.96 |
| 1962 – 63 | 1313 | 35 | 2.66 | 4729 | 2.46 | 9911 | 387 | 3.90 |
| 1963 – 64 | 1601 | 39 | 2.44 | 5933 | 2.26 | 12232 | 422 | 3.45 |
| 1964 – 65 | 1719 | 62 | 3.60 | 6262 | 3.36 | 13035 | 306. | 2.34 |
| 1965 – 66 | 1714 | 62 | 3.62 | 6253 | 3.43 | 12995 | 678 | 5.22 |
| 1966 – 67 | 1994 | 38 | 1.91 | 7431 | 2.02 | 14152 | 453 | 3.20 |
| 1967 – 68 | 2646 | 147 | 5.56 | 9816 | 5.71 | 18099 | 657 | 3.63 |
| 1968 – 69 | 2849 | 62 | 2.18 | 10644 | 2.02 | 20003 | 553 | 2.77 |
| 1969 – 70 | 3496 | 62 | 1.77 | 15452 | 1.86 | 30018 | 699 | 2.33 |
| 1970 – 71 | 4344 | 81 | 1.86 | 18854 | 1.85 | 36537 | 629 | 1.72 |
| 1971 – 72 | 5556 | 70 | 1.26 | 24137 | 0.84 | 46761 | 766 | 1.64 |
| 1972 – 73 | 5912 | 121 | 2.05 | 25732 | 1.75 | 49510 | 734 | 1.46 |
| 1973 – 74 | 6375 | 127 | 1.99 | 28002 | 2.01 | 53401 | 1118 | 2.09 |
| 1974 – 75 | 5737 | 75 | 1.31 | 28933 | 0.72 | 52593 | 978 | 1.86 |
| 1975 – 76 | 8144 | 32 | 1.39 | 41105 | 1.58 | 74242 | 819 | 1.10 |
| 1976 – 77 | 7242 | 35 | 0.48 | 36674 | 1.26 | 65983 | 899 | 1.36 |
| 1977 – 78 | 7594 | 130 | 1.71 | 37976 | 1.25 | 68597 | 1016 | 1.46 |
| 1978 – 79 | 7908 | 100 | 1.26 | 39732 | 1.29 | 71067 | 1081 | 1.52 |
| 1979 – 80 | 9794 | 321 | 3.28 | 52528 | 1.81 | 87378 | 1104 | 1.26 |
| 1980 – 81 | 11199 | 232 | 2.07 | 60634 | 3.42 | 101469 | 1168 | 1.15 |
| 1981 – 82 | 11802 | 660 | 5.59 | 63919 | 1.44 | 103922 | 1706 | 1.64 |
| 1982 – 83 | 12685 | 285 | 2.25 | 69626 | 1.36 | 114823 | 1595 | 1.39 |
| 1983 – 84 | 13303 | 49 | 0.36 | 61873 | 5.75 | 118456 | 1455 | 1.23 |
| 1984 – 85 | 13716 RE | 228 RE | 1.66 | 74291 RE | 3.81 | 124396 RE | 2023 RE | 1.63 |
| Overall increase % | 2041.07 | 844.44 | | 863.65.00 | | 1331.06 | 700.00 | |
| CGR | 13.3 | 9.2 | | 9.3.2 | | 11.4 | 8.4 | |
| Average | | | 2.40 | | 2.31 | | | 2.28 |

Note : SDTR : Shared Direct Tax Revenu

iv) In the year 1966-67 all the states under study show a relatively very high ratio in respect of own direct tax revenue significance of estate duty.

v) It is seen that All-State's together the period as a whole, average in this respect is 2.28%. In case of the states under study this ratio is higher than national average. It is highest in West Bengal(2.90%). In Maharashtra it is 2.72%.

vi) The rate of growth of revenue from estate duty during the period under study has been lower than the rate of growth of revenue from all the own direct taxes of the states. This is true in case of individual states as well as the All-State's together. In conclusion, we can say that the contribution of estate duty expressed as a percentage of state's direct tax revenue is declining.

3.7 SHARED DIRECT TAX REVENUE SIGNIFICANCE OF ESTATE DUTY :

As per the provisions of the constitution, estate duty is levied and collected by Union Government and net revenue from estate duty is distributed among the state's on the basis of recommendations of the FinanceCommission. It is therefore, a part of the transfered direct tax revenue received by the states. It is in this context interesting to know whether the percentage share of estate duty revenue in the shared direct tax reveneu