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Chapter - 4

Chapter – IV

PROBLEMS AND PROSPECTS OF ATPADI VILLAGE PANCHAYAT TAXATION

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Chapter – IV

PROBLEMS AND PROSPECTS OF ATPADI VILLAGE PANCHAYAT TAXATION

4.1 Introduction

Like any other economic unit, government needs fund to finance its activities. Such funds are raised from various sources. Its sources include tax income from public undertaking, fees, fines, gifts, donations etc. These sources are divided into tax revenues and non tax revenue. Like the central and state government, local government also performs various different function to achieve its predetermined objectives. Therefore, it also requires finance or revenue. In absence of revenue it cannot perform functions and also cannot achieve its predetermined goals. Therefore, it becomes necessary to take into account the sources of revenue of the local government.

The present study is concerned with the Village Panchayat which is a rural local government and the basic local government unit in rural India. Therefore, an attempt is made to discuss the problems of taxes and their prospects for village Atpadi.

The Village Panchayat works at bottom level of Panchayat Raj. The Village Panchayat is known an important component of Panchayat Raj. The Village Panchayat is an executive body of Gramsabha in Maharashtra, Village Panchayat is established under Mumbai Grampanchayat Act 1958. The population, income and geographical structure of that village are taken into account. Besides this the Panchayat

Samiti and Zilla Parishad also recommend the establishment of Grampanchayat.

4.2 Functions of Village Panchayat

The functions of Village Panchayat can broadly be divided into two categories viz. obligatory and discretionary. It covers a wide range of functions including rural administration and cultural, social, agricultural and development activities etc. Besides the Panchayat and Panchayat Raj Acts contain an enabling provision under which the state government can be authorized the Panchayats to enable any other additional functions or duties.

a) Obligatory Functions

- i) The construction, repair, cleaning of public streets
- ii) Registration of birth, death and marriage
- iii) Establishing and maintaining village primary schools for boys and girls
- iv) Construction, repair and maintenance of public wells
- v) Tanks and ponds for the supply of water for drinking, washing and bathing purpose

b) Discretionary Functions

- i) To improve a medical treatment of cattle and predation of diseases in them
- ii) Establish an escallop co-operative stores for example increased seeds and implements
- iii) Planning and maintaining trees at side of public street
- iv) To establish and maintenance of library and reading room
- v) To regulate the collection, removal and disposal of manures and sweeping.¹

4.3 Total Revenue

Total revenue of the Atpadi Village Panchayat mainly consists of the tax revenue and non tax revenue.

$$\text{Total Revenue} = \text{Tax Revenue} + \text{Non Tax Revenue}^2$$

4.4 Problems of Atpadi Village Panchayat Taxation

The general problems of Village Panchayat taxation are -

- i) High rate of taxation, it leads to taxes evasion among people
- ii) Complex and rigid nature of tax payments
- iii) Shortage of experienced persons officers for the collection of tax revenue
- iv) Donation given by industrialist as well as businessmen to political parties
- v) Improper maintenance of accounts of tax payers of Atpadi Village Panchayat
- vi) Local bodies have to depend upon grant-in-aid being given to them by state government generally it is observed that not only these grant are insufficient they are not being received regularly in time
- vii) Local bodies lack autonomy. They are not free to raise revenue according to their requirement they are required to work under the central and supervision of state government.

The actual problems of taxation of Atpadi Village Panchayat are as follows :

4.5 Tax Revenue

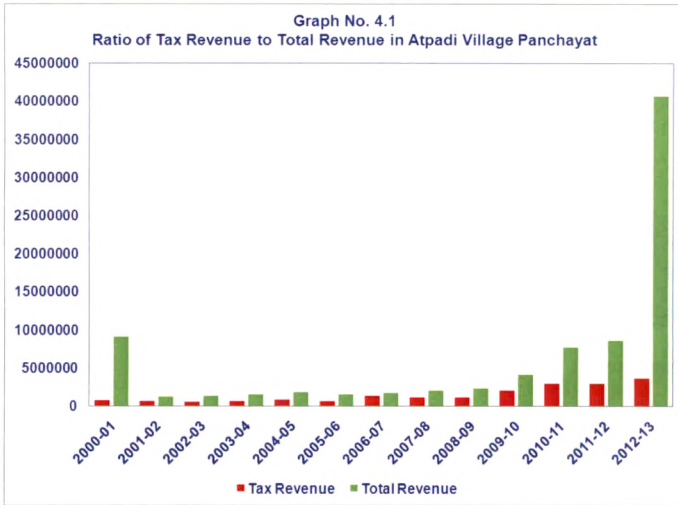
Overdues defined as the amount of money which has not been paid even though the date on which it should have been returned.

Table No. 4.1 shows the ratio of tax revenue to various total revenue items which includes tax revenue and grant-in-aid.

Table No. 4.1
Ratio of Tax Revenue to Total Revenue in Atpadi Village Panchayat

Year	Tax Revenue	Total Revenue	Total
2000-01	722123 [7.41]	9025990 [92.68]	9738113 [100]
2001-02	548455 [30.91]	1225434 [69.08]	1773889 [100]
2002-03	519529 [28.52]	1301969 [7.47]	1821498 [100]
2003-04	624720 [28.87]	1538542 [71.12]	2163262 [100]
2004-05	787847 [30.01]	1836848 [69.98]	2624695 [100]
2005-06	569119 [27.63]	1490045 [72.36]	2059164 [100]
2006-07	1304813 [43.06]	1724967 [56.93]	3029780 [100]
2007-08	1047503 [34.13]	2021127 [65.86]	3068630 [100]
2008-09	1104316 [32.20]	2322627 [66.77]	3426942 [100]
2009-10	1973053 [32.46]	4106732 [77.54]	6079785 [100]
2010-11	2925387 [27.68]	7639926 [72.31]	10565313 [100]
2011-12	2932995 [25.40]	8609955 [75.59]	11542950 [100]
2012-13	3593662 [8.13]	40595548 [91.86]	44189210 [100]
CGR	27.46	17.64	22.27
CV	75.84	159.75	168.17

Source : Annual Budgets of Atpadi Village Panchayat



It was seen from the above table that the tax revenue to total revenue shows gradual growth with considerable fluctuations. Total revenue is increased from Rs. 722123 in 2000-01 to Rs. 3593662 in 2012-13. Total tax revenue was Rs. 9025990 in 2000-01 that rose to Rs. 40595548 in 2012-13 respectively. The compound growth rate of tax revenue is 27.46 and total revenue is 17.64 percent. The percentage share of tax revenue to total is 7.41 percent in 2000-01. After that it increased to 30.91 percent in 2001-02 and declined to 28.52 percent in 2002-03. Later it increased to 28.87 percent, 30.01 percent in 2003-04 and 2004-05. Again it declined to 27.63 percent in 2005-06 and 43.6 percent in 2007-08. In 2008-09 it increased to 32.20 percent and declined to 27.68 percent in 2010-11 and 25.40 percent and 8.13 percent in 2011-12 and 2012-13.

The percentage share of the tax revenue to total revenue was 92.68 percent in 2000-01. It declined to 69.08 percent in 2001-02; again it declined to 71.47 percent in 2002-03. It declined to 71.12 percent in 2003-04 and 69.68 percent in 2004-05. It increased to 72.36 percent in 2005-06 and declined to 56.93 percent in 2006-07. Again it increased to 65.68 percent, 66.77 percent, 67.54 percent, 72.31 percent, 75.59 percent and 91.86 percent in 2007-08, 2008-09, 2009-10, 2010-11 and 2012-13 respectively.

The Village Panchayat works at ground level of Panchayat Raj. Grampanchayat is known an important component of Panchayat is an executive body of Gramsabha. In Maharashtra Grampanchayat has been established under the rule of Mumbai Act 1958. Sometimes establishment of Grampanchayat, the population, income and a geographical structure of the village are taken into account. Besides, the Panchayat Panchayat Samiti and the Zilla Parishad also recommend the establishment of the Grampanchayat.³

As the present study is concerned with finance of Atpadi Village Panchayat an attempt is made to analyse tax rate structure of the Village Panchayat during 2000-01 to 2012-13. This enables us to study tax rate structure direction and extent of changes in tax rates and consequences on the revenue of the Village Panchayat. Tax rate and tax base are the main factors in financing tax revenue along with proper tax administration and tax collection machinery of the government for the study of revenue

growth of Village Panchayat and hence an attempt is made in this chapter to analyse the tax rate structure of the Village Panchayat.⁴

It's growth is the canon of taxation which should be applied for local tax in the appropriate words. A local tax should like any of the convenient and certain fair between person in like circumstances and economical in collection.⁵ The most difficult problem that local authorities have to face is the problem of finance local acts containing list of sources of revenue but most of them are inelastic and the field from some of them is not significant. As a consequence local administration has not been efficient.⁶

The act of 1958 empowers the Village Panchayat to impose different taxes so as to collect income required for performing functions. Assign the taxes, house tax, sanitary tax, light tax that are imposed on the properties. The taxes are imposed on both the ratable value as well as capital value of properties. The Panchayat under our study imposes these taxes on the capital value of properties. The taxes namely water tax, market tax are imposed on the services provided by Panchayat. The 1958 act has fixed maximum and minimum rates of taxes within this limit, the Village Panchayat have to determine rates of taxes which are being imposed by them.⁷

Table No. 4.2
Tax Structure and Rates of Taxes in Atpadi Village Panchayat

Type of taxes	2000-05	2005-09	2009-12	Simple Growth Rate
A) House Tax	Per 100 sq. ft.	Per 100 sq. ft.	Per 100 sq. ft.	
i) House of Stone, Bricks, Cement	Rs 40	Rs 40	Rs 50	20%
ii) Slab House	RS 50	Rs 80	Rs 100	50%
iii) RCC Marble House	Rs 70	Rs 90	Rs 90	22.22%
iv) Color house	Rs 40	Rs 40	Rs 50	25%
B) Water Tax	Each family per year	Each family per year	Each family per year	
i) Public Water Tax	Rs 75	Rs 100	Rs 150	50%
ii) Personal Water Tax	Rs 400	Rs 450	Rs 450	12.5%
iii) Industrial Water Tax	Rs 800	Rs 1000	Rs 1000	25%
C) Market Tax				
i) Daily Market Tax	Rs 6	Rs 8	Rs 10	9%
ii) Weekly Market Tax	Rs 5 – 7	Rs 7- 10	Rs 10-12	40%
D) Light Tax	Rs 25	Rs 50	Rs 70	50%
E) Sanitary Tax	Rs 20 per family	Rs 22 per family	Rs 25 per family	20%

Source: Annual Budgets of Atpadi Village Panchayat

4.6 Tax Structure of Village Panchayat

The Village Panchayat collects its revenue through tax, is a very important source of Village Panchayat tax revenue.

The present study attempts to examine the tax structure of Village Panchayat Atpadi during the period from 2000-01 to 2012-13. In this section we discuss the type of taxes and the rates of taxes of Village Panchayat during the period under study.

A) Rates of House Tax

The house tax is a very common feature in all Village Panchayat. This type of tax mainly depends upon types of house and it is imposed on the per 100 square feet built up area of house.

i) House of Stone Bricks, Cement

The rate of tax on house of stone bricks and cement in Atpadi Village Panchayat was Rs. 40 per 100 square feet during 2000-2005 and 2005-2009, it was increased to Rs. 50 per 100 square feet from 2009-2013 which shows a simple growth rate of 20% during 2000-13.

ii) RCC Marble House

During the period 2000-01 to 2012-13 the rate of tax for marble house was Rs. 70 per 100 square feet that increased to Rs. 90 per 100 square feet during 2005-12, which indicates simple growth rate of 22.22% during the period into consideration.

iii) RCC Slab House

The rate of slab house in Atpadi Village Panchayat was Rs. 50 per 100 square feet in 2000-05. It increased to Rs. 80 per 100 square feet in 2005-09 and Rs. 100 per 100 square feet in 2009-13 with a simple growth rate of 50%.

iv) Colour House

The rate of taxes on colour house in Atpadi Village Panchayat was Rs. 40 per 100 square feet in 2000-09, which increased to Rs. 50 per 100 square feet in 2009-12 with a simple growth rate of 25%.

B) Rates of Water Tax

The Atpadi Village Panchayat imposes water tax in three forms –
i) Public Water Tax, ii) Personal Water Tax and iii) Industrial Water Tax.

i) Public Water Tax

The rate of public water tax charged by the Atpadi Village Panchayat was Rs. 75 per family for the period 2000-05 that increased to Rs. 100 per family in 2005-09, again increased to Rs. 150 per family in 2009-13 with a simple growth rate of 50% during 2000-01 to 2012-13.

ii) Personal Water Tax

During the period 2000-01 to 2012-13 personal water tax was Rs. 400 per family in 2000-05. It was increased to the rate of Rs. 450 per family in 2005-013 with a simple growth rate of 12.5%.

iii) Industrial Water Tax

The rate of industrial water tax of Atpadi Village Panchayat was Rs. 500 for the period 2000-05 and it increased to Rs. 1000 for the period 2005-13 with a simple growth rate of 25%.

C) Market Tax

The Atpadi Village Panchayat imposes a tax in two forms
i. e. i) Daily Market Tax and ii) Weekly Market Tax.

Table No. 4.2 indicates the rates of market tax of Atpadi Village Panchayat during the period under study.

i) Daily Market Tax

Daily market tax was Rs. 6 for each seller during the period 2005-09, it increased to Rs. 10 during 2009-13.

ii) Weekly Market Tax

The Atpadi Village Panchayat imposed weekly market tax for the period taken into account in the study. The rates of weekly market tax during the period 2000 to 2013 was Rs. 5-7 for each seller during the period 2000 to 2005 which increased to Rs. 7-10 in 2005-09 and further increased to Rs. 10-12 for the period 2009-13.

D) Light Tax

The Atpadi Village Panchayat has imposed light tax to collect its revenue. Its rate was Rs. 25 per house, it increased to Rs. 50 per house during 2005-09 and again increased to Rs. 70 during the period 2009-13.

E) Sanitary Tax

Sanitary tax was Rs. 20 per family during the period 2000-05, it increased to Rs. 22 per family in 2005-09 and again increased to Rs. 25 per family in 2009-13.

The rate of taxes was increased by 20% to 25% during the study period. In recent years a tax burden is fluctuating which is beared by citizens depending upon the extent of burden.

4.7 Tax Burden

The burden of tax refers to the final money burden on a person which ultimately bears it. Whenever the money burden of a tax finally settles or rests on the ultimate tax payer is called the incidence of a tax.

Direct Tax Burden

If a tax is shifted the incidence not fell upon the man who shifts it. Suppose the government levies a tax on sugar and collects the amount from the manufacture of sugar the money burden of the tax falls on the manufacturer of the sugar directly.

Indirect Tax Burden

Shifting the money burden is the process of shifting continues from whole seller to the final consumer, the incidence is laid to be on the final consumer who ultimately bears the money burden. This is the indirect tax burden.⁸

4.8 Concept and Measurement of Tax Incidence

Incidence is defined as the direct money burden with respect to income expenditure or any other measure of factor. In this way incidence is the social accounting calculating of proportion of people income paid over the taxing authorities in a defined period symbolically. It is tax per incidence is $t/c \times 100$ besides average tax incidence of marginal tax. Incidence or marginal tax burden and income elasticity of tax burden and income elasticity of tax burden may be used as measures of tax incidence.⁹

Table No. 4.3
Tax Burden on Citizen in Atpadi Village Panchayat

Year	Family	Direct Tax	Indirect Tax	Total Tax	Per family Direct Tax	Per Family Indirect Tax	Per Family Total Tax
1	2	3	4	5	6	7	8
2000-01	3275	702360	19755	722123	21.44	0.06	22.04
2001-02	4378	474793	51774	548455	10.84	1.68	12.52
2002-03	4326	457059	62470	519529	10.56	1.44	12.00
2003-04	4850	582226	42494	624720	12.00	2.69	14.69
2004-05	2660	717717	40130	757847	26.98	1.51	28.69
2005-06	2168	523641	45478	569119	24.15	2.01	26.25
2006-07	2432	1197593	107220	1304813	49.24	4.41	53.65
2007-08	3636	965197	82306	1047503	26.54	2.26	28.80
2008-09	3130	556074	548242	1104316	17.76	17.52	35.28
2009-10	2995	1705725	267328	1973053	56.95	8.92	65.87
2010-11	3125	2180487	771900	2925387	69.77	23.84	93.61
2011-12	3995	2752825	199562	2932995	68.90	4.51	73.40
2012-13	4302	3110554	83108	35931662	81.60	1.92	83.52
CGR	4.20	12.00	38.46	27.46			
CV	5.18	75.85	123.33	244.21			

Source: Annual Budgets of Atpadi Village Panchayat

It was seen from the above table that tax burden on citizens in Atpadi Village Panchayat per family. Tax burden was Rs. 22.04 in 2000-01, it declined to Rs. 12.52 in 2001-02, Rs. 12.00 in 2002-03 and increased to Rs. 14.69 and Rs. 28.49 in the year 2003-04 and 2004-05. It declined to Rs. 26.25 in 2005-06 and again increased to Rs. 53.65 in 2006-07. It declined to Rs. 28.80 in 2007-08 and again increased to Rs. 35.28, Rs. 65.87 and Rs. 93.61 in 2008-09, 2009-10 and 2010-11. Then it decreased to Rs. 73.91 in 2011-12 and again increased to Rs. 83.52 in 2012-13.

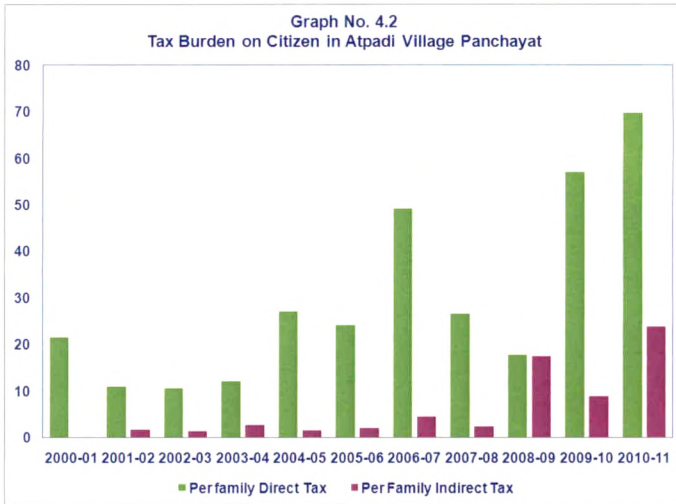


Table No. 4.3, column No. 6 shows the direct tax burden on per family was Rs. 21.44 in 2000-01, it declined to Rs. 10.84 in 2001-02 and Rs. 10.56 in 2002-03. Then it increased to Rs. 12.00 and Rs. 26.98 in 2003-04 and 2004-05. It declined to Rs. 24.15 in 2005-06 and increased to Rs. 93.24 in 2006-07. It declined to Rs. 26.54 and Rs. 17.76 in 2007-08 and 2008-09. It increased to Rs. 56.95 and Rs. 69.77 in 2009-10 and 2010-11, again it declined to Rs. 4.51 and Rs. 1.92 in 2011-12 and 2012-13.

Table No. 4.3, column No. 7 shows the indirect tax burden of per family Rs. 0.06 in 2000-01, it increased to Rs. 1.68 in 2003-04 and declined to Rs. 1.44 in 2002-03. Again it increased to Rs. 2.69 in 2003-04 and declined to Rs. 1.51 in 2004-05. Once again it increased to Rs. 2.01 and Rs. 4.41 in 2005-06 and 2006-07. It declined to Rs. 2.6 in 2007-08

and increased to Rs. 17.52 in 2008-09. However, during the year 2009-10 it declined to Rs. 8.92 and increased to Rs. 23.82 in 2010-11, again it declined to Rs. 4.51 and Rs. 1.92 in 2011-12 and 2012-13.

4.9 Meaning of Tax Overdues

Overdues defined as the amount of money which has not been paid even though the date on which it should have been returned.

4.10 Definition of Overdues

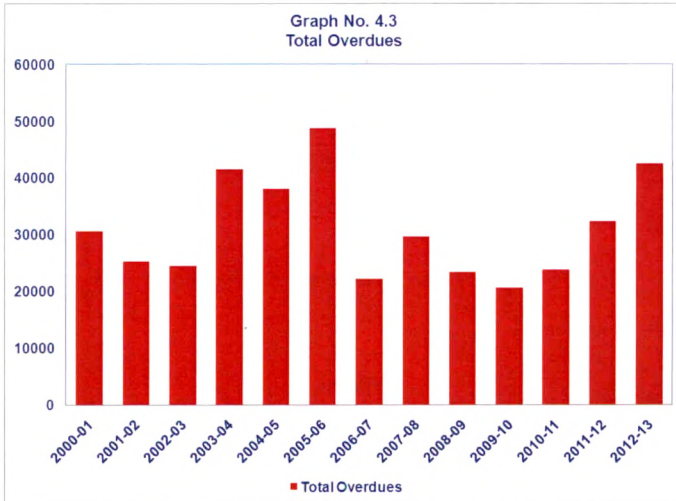
Out of total families which families don't pay tax in given time are called overdues.

Table No. 4.4
Number of Overdues to Total Overdues

Year	Total Overdues	No. Of Overdueser
2000-01	30553	725
2001-02	25216	814
2002-03	34521	301
2003-04	41563	798
2004-05	38127	1305
2005-06	48809	979
2006-07	22171	521
2007-08	29720	648
2008-09	23342	468
2009-10	20546	425
2010-11	23735	760
2011-12	32382	1320
2012-13	42536	361
CGR	- 1.01	4.91
CV	24.52	40.02

Source: Annual Budgets of Atpadi Village Panchayat

It is seen from the above table that total overdues per family of Atpadi Village Panchayat.



The column number 2 of Table No. 4.4 shows that the total overdues of tax revenue in Atpadi Village Panchayat. It was Rs. 30553 in 2000-01 which declined to Rs. 25216 in 2001-02 and increased to Rs. 34521, Rs. 41563 in the year 2002-03 and 2003-04. It declined to Rs. 38127 in the year 2004-05 and again increased to Rs. 48809 in 2005-06. It declined to Rs. 22171 in 2006-07 and increased to Rs. 23342 in 2007-08. However, during the year 2008-09 and 2009-10 it declined to Rs. 23342 and Rs. 20546 and increased to Rs. 23735, Rs. 32382 and Rs. 42536 in the year 2010-11, 2011-12 and 2012-13.

Table No. 4.4, column No. 3 shows the tax overdues of Atpadi Village Panchayat. It was Rs. 725 per family in 2000-01 and increased to 814 per family in 2001-02. It declined to 301 per family in 2002-03 and increased to 798 and 1305 per family in 2003-04 and 2004-05. Further it decreased to 979 and 521 in 2006-07 and 2007-08. Again it increased to 648 per family in the year 2008-09. Later on in 2009-10 and 2010-11 it decreased to 468 and 425 per family. Again it increased to 760 and 1230 per family in the year 2010-11 and 2011-12 and decreased to 361 per family in 2012-13.

4.11 Total Revenue

The local bodies in India collect their revenue through three major sources namely tax revenue, non tax revenue and debt revenue. Taxation Enquiry Commission 1954 assigned a definite tax field to local bodies. It listed six items to be reserved for local bodies. Tax revenue includes house tax, water tax, street light tax, non tax revenue includes forest auction, rent.

Total revenue of the Atpadi Village Panchayat mainly consists of the tax revenue and non tax revenue.

$$\text{Total Revenue} = \text{Tax Revenue} + \text{Non Tax Revenue}$$

Table No. 4.5
Ratio of Total Overdues to Total Tax Revenue

Year	Total Overdue	Total Tax Revenue	Total
1	2	3	4
2000-01	30553 [4.05]	722123 [95.94]	752676 [100]
2001-02	25216 [4.39]	548455 [95.60]	573671 [100]
2002-03	34521 [6.23]	519529 [93.76]	554030 [100]
2003-04	41563 [6.23]	624720 [93.76]	666283 [100]
2004-05	38127 [4.61]	787847 [95.38]	825974 [100]
2005-06	48809 [7.89]	569119 [90.00]	617928 [100]
2006-07	22171 [1.67]	1304813 [98.32]	1326984 [100]
2007-08	29720 [2.75]	1047503 [97.25]	1177223 [100]
2008-09	23342 [2.06]	1104316 [97.93]	1127658 [100]
2009-10	20546 [1.03]	1973053 [98.96]	1993600 [100]
2010-11	23735 [0.80]	2925387 [99.19]	2949122 [100]
2011-12	32382 [1.09]	2932995 [98.90]	2965377 [100]
2012-13	42536 [1.16]	3593662 [98.83]	3636198 [100]
CGR	- 1.01	27.46	30.81
CV	24.52	244.21	90.01

Source: Annual Budgets of Atpadi Village Panchayat

It was seen from the above data in the Table No. 4.5 that ratio of total tax overdues to total tax revenue shows gradual growth of consideration, but with fluctuations.

Table No. 4.5, column No. 2 shows the total overdues of tax revenue. It was Rs. 30553 in 2000-01, it declined to Rs. 25216 in 2001-02. In the year 2002-03 and 2003-04 it increased to Rs. 34521 and Rs. 41563. Further in 2004-05 it decreased to Rs. 38127 and again increased to Rs. 48809 in 2005-06. However, during the year 2006-07 it declined to Rs. 22171 and increased to Rs. 29720 in 2007-08. Later on in 2008-09 and 2009-10 it decreased to Rs. 23342 and Rs. 20546. Again it increased to Rs. 23735 , Rs. 32382 and Rs. 42536 in the years 2010-11, 2011-12 and 2012-13 respectively.

The percentage share of the total overdues and total tax revenue to total was 4.05 percent in 2000-01. It increased to 4.39 percent in 2001-02 and 6.23 percent in 2002-03. In 2004-05 it decreased to 4.61 percent and again increased to 7.89 percent in 2005-06. In the year 2006-07 it decreased to 1.67 percent and increased to 2.75 percent in 2007-08. Later in the year 2008-09, 2009-10 and 2010-11 it decreased to 2.06 percent, 1.03 percent and 0.80 percent. Again increased to 1.09 percent, 1.16 percent in the year 2011-12 and 2012-13.

Table No. 4.5 shows the total tax revenue. It was Rs. 722123 in 2000-01 and in 2012-13 is Rs. 3593662 respectively.

The percentage share of total tax revenue to total was 95.44 percent in 2000-01, it declined to 95.60 percent in 2001-02 and increased to 93.76 percent, 95.38 percent in 2002-03 and 2004-05. Further it decreased to 90.00 percent in 2005-06 and increased to 98.32 percent in 2006-07. It declined to 97.25 percent in 2007-08 and again increased to

97.93 percent, 98.96 percent in the year 2008-09, 2009-10 and 2010-11. In the year 2011-12 and 2012-13 it decreased to 98.90 percent and 98.83 percent.

Table No. 4.6
Tax Payers and Amount of Tax Overdues

Year	Total Overdue	Total Tax Payers
2000-01	Rs. 30553	3936 family
2001-02	Rs. 25216	4326 family
2002-03	Rs. 34521	4530 family
2003-04	Rs. 41563	4545 family
2004-05	Rs. 38127	4720 family
2005-06	Rs. 48809	4980 family
2006-07	Rs. 22171	4936 family
2007-08	Rs. 29730	4940 family
2008-09	Rs. 234342	4960 family
2009-10	Rs. 20546	4963 family
2010-11	Rs. 23735	4989 Family
2011-12	Rs. 32382	3995 family
2012-13	Rs. 42536	9302 family
CV	29.52	20.18
CGR	-1.01	1.78

Source : Annual Budgets of Atpadi Village Panchayat

The above table shows tax payers and amount of tax overdues of Atpadi Village Panchayat. The compound growth rate of total overdues and total tax payers was 1.01 percent and 1.78 percent respectively during 2000-01 and 2012-13. Likewise, the compound growth rate of increase in total tax payers was higher than total overdues during the same period.

It was seen from the above data in Table No. 46, column No. 2 total tax overdues was Rs. 30553 in the year 2000-01, it declined to Rs. 25216 in 2001-02. Later in 2002-03, and 2003-04 it increased to Rs. 34521 and Rs. 41563. Further in 2004-05 it decreased to Rs. 38127 and again increased to Rs. 48809 in 2005-06. It declined to Rs. 22171 in 2006-07 and increased to Rs. 23342 in 2007-08. However, during the year 2008-09 and 2009-10 it declined to Rs. 23342 and Rs. 20546 and increased to Rs. 23735, Rs. 32383 and Rs. 42536 in 2010-11, 2011-12 and 2012-13 respectively.

Table No. 4.6, column No. 3 shows the total number of tax payers. It was 3926 families in 2000-01, it increased to 4326, 4530, 4545, 4720 and 4980 per family in 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06. It declined to 4536 per family in 2006-07. Later in the year 2007-08, 2008-09 and 2009-10 increased to 4940, 4960 and 4963 per family respectively. It increased to 4989 family in 2010-11 and declined to 3995 family in 2011-12 and lastly increased to 4302 family in 2012-13.

4.12 Impact of Overdues on Total Expenditure

Village Panchayat performs functions of water supply, sanitary, street light, maintenance of roads. This grampanchayat makes the provision within its jurisdiction. For planning and maintenance of trees, along the sides of public street etc. If the total tax dues increases grampanchayat expenditure decreases and if overdues declines the public expenditure increases.¹⁰

Table No. 4.7
Ratio of Total Overdues to Total Expenditure

Year	Total Overdues	Total Expenditure
2000-01	30553 [1.42]	2139830 [100]
2001-02	25216 [9.98]	252480 [100]
2002-03	24521 [2.88]	849449 [100]
2003-04	41563 [2.51]	1651639 [100]
2004-05	38127 [1.62]	2343112 [100]
2005-06	48809 [2.28]	2140530 [100]
2006-07	22171 [0.68]	2837735 [100]
2007-08	29720 [1.04]	1980646 [100]
2008-09	23342 [2.71]	859641 [100]
2009-10	20546 [2.54]	3787456 [100]
2010-11	23735 [2.31]	7628600 [100]
2011-12	32382 [2.37]	8605056 [100]
2012-13	42536 [4.94]	859649 [100]

Source : Annual Budgets of Atpadi Village Panchayat

The above table shows the total overdues to total expenditure of Atpadi Village Panchayat. It was seen from the above data of Table No. 4.7, column No. 2 shows the overdues. It was Rs. 30553 in 2000-01 and declined to Rs. 25216 in 2001-02 and Rs. 24521 in 2002-03 and increased to Rs. 41563 in 2003-04 and further in 2004-05 decreased to Rs. 38127 and increased to Rs. 48809 in 2005-06. It declined to

Rs. 29720 in 2007-08, Rs. 23342, Rs. 20546 in the year 2008-09 and 2009-10 and again increased to Rs. 23725, Rs. 32582, Rs. 42536 in 2010-11, 2011-12 and 2012-13 respectively.

The percentage share of total overdues to total expenditure is 1.42 percent in 2000-01, Rs., 21310, Rs. 22576 in 2006-07, 2007-08, 2008-09, 2009-10 and declined to Rs. 20360, Rs. 1750 in 2010-11 and 2011-12 and increased to Rs. 19325 with 4.94% in 2012-13.

4.13 Expenditure on Tax Collection

Table No. 4.8 shows the expenditure of employees in order to collect the corresponding tax revenue.

Table No. 4.8
Ratio of Expenditure on Tax Collection to Total Tax Revenue

Year	Expenditure On Tax Collection	Tax Revenue
2000-01	12526 [16.85]	727123 [100]
2001-02	13414 [2.44]	548455 [100]
2002-03	16650 [3.20]	519529 [100]
2003-04	19360 [3.09]	624720 [100]
2004-05	17370 [2.20]	787847 [100]
2005-06	15770 [2.77]	569119 [100]
2006-07	16480 [2.89]	1304813 [100]
2007-08	19297 [9.14]	1047503 [100]
2008-09	21310 [2.00]	1104316 [100]
2009-10	22570 [2.04]	1973053 [100]
2010-11	20360 [1.03]	2925387 [100]
2011-12	17530 [0.59]	2932995 [100]
2012-13	19325 [0.53]	3593662 [100]

Source : Same as of Table No. 4.7.

It was seen from the above table that the ratio of expenditure on tax collection and tax revenue raised by the Village Panchayat on tax collection.

Table No. 4.8, column No. 2 shows the expenditure on tax collection, it was Rs. 12526 in 2000-01, it increased to Rs. 13414, Rs. 16650, Rs. 19360 in 2001-02, 2002-03 and 2003-04. It declined to Rs. 17370, Rs. 15770 in 2004-05 and 2005-06. Again it increased to Rs. 16480, Rs. 19297, Rs. 21310, Rs. 22570 in 2006-07, 2007-08, 2008-09, 2009-10 and declined to Rs. 20360, Rs. 1750 in 2010-11 and 2011-12. It increased to Rs. 19325 in 2012-13.

The percentage share of the expenditure on tax collection to tax revenue was 16.85 percent in 2000-01. It declined to 2.44 percent in 2001-02 and increased to 3.20 percent in 2002-03. It declined to 3.09 percent, 2.20 percent in 2003-04, 2004-05 and increased to 2.77 percent, 2.89 percent, 9.14 percent in the year 2005-06, 2006-07, 2007-08. It declined to 2.00 percent in 2008-09 and increased to 2.04 percent in 2009-10 and declined to 1.03 percent, 0.59 percent and 0.53 percent in 2010-11, 2011-12 and 2012-13 respectively.

Table No. 4.8 column No. 3 shows the tax revenue of Atpadi Village Panchayat was Rs. 727123 in 2000-01 and it declined to Rs. 548455, Rs. 519529 in 2001-02 and 2002-03. It increased to Rs. 624720, Rs. 787847 in 2003-04 and 2004-05. It declined to Rs. 569119 in 2005-06 and increased to Rs. 1304813 in 2006-07. However during the year 2007-08 it declined to Rs. 1047503 and

increased to Rs. 1104316, Rs. 1973053, Rs. 2925387, Rs. 2932995 and Rs. 3593662 in the year 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 respectively.

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