



# Uniquely placed

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## Highlights

### 14<sup>th</sup> finance commission

- The 14th FC had adopted a formula-based tax devolution approach, apart from grants-in-aid for local bodies, disaster relief, and post-devolution revenue deficit grants. The share of devolution to the States was enhanced to 42% from 32%, which gave the States considerable flexibility.
- It dispensed with sectoral grants for elementary education, the forest sector and renewable energy sector, among others. No State-specific grants were recommended. The assumption was that a higher level of devolution would offset other requirements.
- The devolution formula, therefore, is central to the approach of resource transfers. The 14th FC accorded 27.5% weight to the population (of which 17.5% was of the 1971 population), 15% to area, 7.5% to forest cover and 50% to income distance.

Source: The Hindu

