



## Acomposition and Structure of Growth of Tax and Non Tax Revenue in Gujarat State

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### ABSTRACT

*This is a study of Composition and Structure of Growth of tax and non tax revenue in Gujarat state of India during 1986 to 2005. In this paper we have obtained growth percentage of tax and non tax revenue in Gujarat during 1986 to 2005 by calculating ratio of each item to total revenue multiplied by hundred. This has been carried out with the help of year wise secondary data. The result found that there is a satisfactory growth of tax and non tax revenue in Gujarat during the overall study period.*

**Keywords: Composition, Structure, Growth, Tax Revenue, Non Tax Revenue**

### 1. INTRODUCTION

All national and state Governments require financial resources to perform various functions and activities. To meet this functions and activities Governments have to raise funds for undertaking various development projects and programmes and verities of welfare activities for the people. The resources raised are income of the Government. This income of the government is known as Public revenue raised from various sources to meet all expenses.

Government raises revenues from various sources like Taxes, administrative activities, fines, fees, profit of public enterprises and Government undertakings, gifts, grants etc.

There are two types of public revenues namely tax revenues and non tax revenues. Taxes imposed are compulsory payment by the people to the government without expecting benefit from the people. Taxes are levied on individuals and companies. The main objective of the government in collecting tax revenues from the higher income groups of the society are redistributed for the welfare of the poor and lower income groups of the nation and states.

There are two types of tax revenues, viz Direct taxes and Indirect taxes. Direct taxes are in form of corporate tax, personal income tax, capital gain tax, wealth tax etc.

Indirect taxes imposed are custom duty, central excise duty, state sales tax, service tax, Value Added Tax etc.

Non tax revenues are raised from sources like fees, fines, penalties, surplus from public enterprises, special assessment for betterment levy, grants, gifts, deficit financing etc.

Like other states in India in Gujarat state also there are two types of Government Revenues i.e tax and non tax revenue. There are two types of state revenue receipts namely tax and non tax revenue receipts. Tax revenues receipts are of two parts, (a) state tax revenue receipts (b) central excise receipts. In this study we have tried to examine the structural growth and composition of tax and non tax revenue in Gujarat state during 1986 to 2005. In addition to introduction, the remainings of the paper are organised into seven sections including earlier introduction., section second presents review of literature, Section three describes the objectives of study, Section four is about hypotheses, and Section five describes

methodology and sources of data. Section six is about basic results, Section seven presents conclusion

### 2. REVIEW OF LITERATURE

Many studies have been carried out in India and abroad which are of greater significance. Among a few significant studies on Tax and Non tax revenues, mention may be of following works

Verma P. C. (1969) examined the Growth and composition of Tax Revenue in Pakistan over the periods 1954-57 and 1963-66. The study found that Some changes in the composition of tax revenue had occurred by 1963-66. The significance of commodity taxes had further increased and that of income taxes had further declined. Customs duties remained the most important single source of revenue, but their contribution to total tax revenue declined. On the other hand, the importance of central excise and sales tax had increased. The contribution of income tax and corporation tax remained constant, while the importance of land revenue further declined

Archana Dholakia (2000) found that Gujarat needs to raise its non tax revenue to ease its fiscal crisis. This article analysis Gujarat's non tax revenue and subsidies to find possibilities of improvement. Contrary to the spirit of economic reforms the state in Gujarat is more active in areas from which it should withdraw as shown by high economic subsidies, and it is less active in areas where intervention is called for as shown by low social sector subsidies Merrifield(2000) tested the general hypothesis that many institutional and political variables affect fiscal outcomes; that the preferences of public officials, and the decision processes used to act on those preferences, matter. State government data (state only, not state and local) from 1980, 1985, and 1990 were used to specify state tax revenue and expenditure models. A previous (Merrifield, 1991) state tax revenue model identified many significant institutional and political variables, but it was based only on 1985 data (49 observations). The larger data set (147 observations), including better data for some of the variables, indicated that most of Merrifield's (1991) findings are robust. The state expenditure models facilitated a second test of the general institutional and political variable hypothesis, as well as the hypotheses about specific variables.

Dhanasekaran (2001) analysed the dynamics of causal relationship between revenue and expenditure. Although a number of studies have shed light on this issue using Granger-

Sims causality tests, the present study attempts to quantify various feedback between revenue and expenditure, along the lines suggested by Geweke and then the results are compared with Granger's causality test. The results showed the absence of co-integration between Government tax revenue and expenditure variables implying no evidence of a stable long run relationship between them. Geweke's test provided different inferences for the casual relationship between TR and GE. In the model with TR as the dependent variable, Geweke's test indicated the existence of bi-directional causality, while in the case of the model with GE as the dependent variable, Geweke's test showed the absence of any causal relationship between the variables. The Granger's test suggests the uni-directional causality flowing from government expenditure to revenue. To conclude, the casual inferences were found to be sensitive to the specification of the model.

Though this is not an exhaustive survey of the literature that has gone into this area, we feel that it does provide analytical framework for enabling us to undertake the present study.

**3. OBJECTIVE OF STUDY:**

The main objective of this paper is to examine the composition and structure of growth of tax and non tax revenue in Gujarat state of India During 1986-2005.

**4. HYPOTHESIS:**

There is satisfactory Growth of Tax and non Tax Revenue in Gujarat.

**5. METHODOLOGY OF ANALYSIS AND SOURCES OF DATA**

In this paper, empirical analysis is undertaken with a view to examine the Growth of Tax revenue and Non Tax revenue in Gujarat during the period 1986- 2005. Growth percentage is Obtained by calculating ratio of each item to total revenue multiplied by hundred. This has been carried out with the help of year-wise secondary data. All these data are collected from Budgets in brief Gujarat State, An Analytical Summary, Directorate of Economics and Statistics, Government of Gujarat, Gandhinagar.

**6. BASIC RESULTS**

Table1 shows growth pattern of government revenues receipts during the plan period of 1986-87 to 2005-06. It is

evident that Union Excise Duties has the highest growth rates of 13.07% -1987-88, 12.48% -1992-93, 12.19% -1988-89, 11.69% -1991-92, 11.57% -1996-97, 10.98% -1997-98, 10.82% -1998-99, 10.54% -1995-96, 10.44% -1989-90, 10.29% -1994-95, 9.47% -1997-98, 9.16% -1999-2000, 8.75% -2000-01, while the other remaining years have lowest growth percentage rates as what follows, 6.86% -1990-91, 6.26% -1986-87, 5.28%-2005-06, 4.99%-2001-02, 4.69%-2003-04, 4.11%-2002-03, and 4.07%-2004-05 during the Seventh, Eight, Ninth, Tenth and Eleventh plan periods respective.

Income tax has the highest growth percentage rates of 9.82%-1997-98, 7.18%-1997-98, 7.09%-1995-96, 6.93%-1999-2000, 6.90%-1998-99, 6.81%-1994-95, 6.52%-1996-97, 6.19%-1992-93, 6.12%-1989-90, and 6.07%-2000-01. This is followed by 5.89%-1991-92, 5.34%-1988-89, and 3.59%-1990-91. While the other remaining years have lowest growth percentage rates as follows, 2.64%-2005-06, 2.63%-2001-02, 2.59%-1986-87, 2.44%-2003-04, 2.07%-2002-03, and finally 0.26%-2004-03. Estate Duty has yielded the lowest growth percentage rates of 0.03%-1986-87, 0.002%-1987-88, 0.004%-1988-88, during the Seventh plan period. Later on, it was abolished as a share in central taxes, during the Eight, Ninth, Tenth and Eleventh plan periods

During the Tenth plan period, corporation tax, tax on wealth, custom Duties, and services tax were introduced as a share in central taxes of tax revenue to the state Government of Gujarat Corporation tax has the highest growth percentage rates of 18.30% during 2005-06, 14.90%-2003-04, 14.82%-2000-01, 14.63%-2004-05, 13.97%-2001-02, and 12.45%-2002-03 respectively during the Tenth and Eleventh plan periods. Tax on wealth has lowest growth percentage rates of 0.35%-2005-06, 0.29%-2002-03, 0.014%-2003-04, and 0.007%-2001-02. Custom Duties yielded growth percentage rates of 3.75%-2005-06, 3.19%-2003-04, 3.03%-2001-02, 2.95%-2002-03, and 2.94%-during 2004-05 of the Tenth and Eleventh plan periods.

Services tax yielded growth percentage rates of 1.49%-2005-06, 0.78%-2004-05, 0.56%-2003-04, 0.34%-2002-03, and 0.28%-2001-02

Table 1 Growth and Trends of Government Revenue in Gujarat during the plan period 1986-87 to 2005-06 (Rs. in Crores)

Sr. No Item `Year-wise	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93 B	1993-94	1994-95	1995-96
	1	2	3	4	5	6	7	8	9	10
Income Tax Revenue Account										
A Share in Central Taxe1. Income Tax	35.94	113.69	121.22	158.35	96.36	203.29	229.50	NA	389.47	457.98
Growth %	2.59	6.03	5.34	6.12	3.59	5.89	6.19	NA	6.81	7.09
2. Union Excise Duties	86.89	246.60	276.52	270.34	183.90	403.87	462.57	NA	589.16	681.28
Growth %	6.26	13.07	12.19	10.44	6.86	11.69	12.48	NA	10.29	10.54
Total-A	123.21	360.62	397.81	428.69	280.26	607.16	692.07	NA	978.63	1139.26
Growth %	8.88	19.11	17.53	16.56	10.46	17.58	18.67	NA	17.10	17.63
B. State Taxes										
1 Taxes on profession, e	21.51	26.68	30.43	44.74	38.06	40.34	42.76	NA	44.24	45.65
Growth %	1.55	1.42	1.34	1.73	1.42	1.17	1.15	NA	0.77	0.71
2 Land Revenue	21.14	18.83	25.62	30.62	34.19	32.00	32.00	NA	60.75	77.48
Growth %	1.52	0.99	1.13	1.18	1.28	0.93	0.86	NA	1.06	1.20
3. Stamp and Registration	52.84	67.69	86.39	110.14	125.26	135.28	146.10	NA	270.68	355.48
Growth %	3.80	3.58	3.81	4.26	4.67	3.92	3.94	NA	4.73	5.50
4 State Excise	6.47	8.45	10.50	13.29	12.00	13.20	14.52	NA	21.08	21.36
Growth %	0.47	0.45	0.46	0.51	0.45	0.38	0.39	NA	0.37	0.33
5 Sales Tax	864.50	1020.36	294.62	1534.57	1739.98	1950.00	2245.00	NA	3185.99	3593.37
Growth %	62.30	54.09	12.98	59.28	64.90	56.46	60.57	NA	55.69	55.60
a. Central Sales Tax	174.77	199.16	304.78	275.18	309.76	347.98	377.00	NA	516.45	555.25
Growth %	12.59	10.56	13.43	10.63	11.56	10.07	10.17	NA	9.03	8.59

Contd.... Table 1 Growth and Trends of Government Revenue in Gujarat during the plan period 1986-87 to 2005-06 (Rs. in Crores)

Sr. No. Item `Year-wise	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93 B	1993-94	1994-95	1995-96
	1	2	3	4	5	6	7	8	9	10

b. State Sales Tax	642.04	801.01	818.95	1225.55	1131.25	1359.43	1557.32	NA	2158.60	2307.13
Growth %	46.28	42.47	36.09	47.35	42.21	45.41	42.02	NA	35.73	35.70
c. Others	47.69	20.19	170.89	33.84	298.97	242.59	310.68	NA	510.94	730.99
Growth %	3.44	1.70	7.52	1.31	11.16	7.02	8.38	NA	8.93	11.31
6. Taxes on Vehicles	53.40	101.89	70.16	87.09	95.75	109.52	111.68	NA	208.17	305.69
Growth %	3.85	5.40	3.04	3.36	3.57	3.17	3.01	NA	3.64	4.75
7. Taxes on Goods and Passengers	53.92	88.27	100.94	93.35	105.51	100.00	110.00	NA	65.40	107.30
Growth %	3.89	4.68	4.45	3.61	3.94	2.89	2.97	NA	1.14	1.66
8 Electricity Duties	113.92	133.88	189.61	180.97	187.39	401.31	239.84	NA	791.21	695.58
Growth %	8.21	7.09	8.36	6.99	6.99	11.62	6.47	NA	13.83	10.76
9 Entertainment Tax	37.77	37.80	34.84	35.41	31.26	36.50	36.50	NA	41.00	57.21
Growth %	2.72	2.01	1.54	1.37	1.17	1.06	0.98	NA	0.72	0.89
10 Other Taxes and Duties	38.74	21.72	27.90	29.55	30.43	28.72	35.86	NA	54.34	63.75
Growth %	2.79	1.15	1.23	0.01	1.14	0.83	0.97	NA	0.95	0.98
TOTAL-B	1264.21	1525.57	1871.01	2159.73	2399.83	2846.87	3014.26	NA	4742.86	5322.87
Growth %	90.39	80.88	82.49	83.44	89.54	82.42	81.33	NA	82.89	82.37
TOTAL-I	1387.42	1886.19	2268.82	2588.43	2680.09	3454.03	3706.33	NA	5721.49	6462.13
Growth %	64.24	67.21	70.12	71.88	79.31	68.76	74.41	NA	73.29	75.63
II State Non-Tax Revenue	557.03	454.87	572.90	812.10	403.36	1124.89	748.67	NA	1488.11	1601.17
Growth %	25.79	16.20	17.71	22.55	11.94	22.39	15.03	NA	18.42	18.74
III Other Revenue	215.27	465.41	393	200.72	295.82	444.14	526.17	NA	596.79	480.75
Growth %	9.99	16.58	12.18	5.57	8.75	8.84	10.56	NA	7.64	5.63
GRAND TOTAL(I+II+III)	2159.72	2806.47	3235.69	3601.24	3379.27	5023.06	4981.17	NA	7806.39	8544.05

Contd.....Table 1 Growth and Trends of Government Revenue in Gujarat during the plan period 1986-87 to 2005-06 (Rs. in Crores)

Sr. No. Item `Year-wise	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-2005	2005-2006
Income Revenue Account	11	12	13	14	15	16	17	18	19	20
A Share in Central Taxes										
1. Income Tax	460.92	605.97	639.49	768.32	644.90	283.20	225.33	320.65	406.64	488.55
Growth %	6.52	7.18	6.90	6.93	6.06	2.63	2.07	2.44	0.26	2.64
3. Union Excise Duties	817.85	925.90	1002.11	1014.52	928.85	535.96	446.71	616.39	617.34	977.75
Growth %	11.57	10.98	10.82	9.16	8.75	4.99	4.11	4.69	4.07	5.28
Total-A	1278.77	1531.87	1641.60	1782.84	1573.75	1493.33	1354.85	1957.82	2220.68	3391.65
Growth %	18.08	18.16	17.73	16.09	13.98	13.97	12.45	14.90	14.63	18.50
B. State Taxes										
1 Taxes on profession, etc.	48.30	55.55	75.33	82.00	104.80	93.31	95.64	99.55	132.76	150.00
Growth %	0.68	0.66	0.81	0.74	0.99	0.87	0.89	0.76	0.87	0.81
2 Land Revenue	68.05	69.49	71.98	199.00	81.53	86.95	95.19	126.79	234.69	380.00
Growth %	0.76	0.82	0.78	1.79	0.77	0.81	0.88	0.96	1.55	2.05
3. Stamp and Registration	297.72	450.84	506.23	520.00	537.42	539.41	649.88	824.67	962.80	1200.36
Growth %	4.21	5.35	5.47	4.69	5.06	5.02	5.97	6.28	6.34	6.48
4 State Excise	26.27	28.89	27.25	34.96	40.37	47.32	47.11	46.25	47.09	54.69
Growth %	0.37	0.34	0.29	0.32	0.38	0.44	0.43	0.25	0.31	0.29
5 Sales Tax	4037.60	4620.00	4795.84	5750.00	5942.73	5857.40	6252.13	169.58	8308.62	10000.00
Growth %	57.09	54.78	51.81	51.92	55.32	54.56	57.44	1.29	54.74	53.96
a. Central Sales Tax	656.00	696.00	749.88	880.00	1051.66	1015.71	1157.13	1397.00	1607.40	1900.00
Growth %	7.28	8.25	8.10	7.95	9.90	9.46	10.63	10.63	10.59	10.25

Contd.....Table 1 Growth and Trends of Government Revenue in Gujarat during the plan period 1986-87 to 2005-06 (Rs. in Crores)

Sr. No. Item `Year-wise	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-2005	2005-2006
Income Revenue Account	11	12	13	14	15	16	17	18	19	20
b. State Sales Tax	2731.25	3145.50	3049.94	3588.00	3736.32	3661.74	3834.14	4470.28	5222.87	6297.00
Growth %	38.62	36.11	32.95	32.69	35.18	34.11	35.23	34.02	34.41	33.98
c. Others	650.35	778.50	996.02	1282.00	1154.75	1179.95	1260.86	1302.30	1478.35	1803.00
Growth %	4.21	9.25	10.76	11.57	10.87	10.99	11.58	9.91	9.74	9.73
6. Taxes on Vehicles	281.99	369.90	460.21	650.00	627.28	676.63	808.11	966.39	1060.93	1150.00
Growth %	3.99	4.39	4.97	5.87	5.91	6.30	7.43	7.13	6.99	6.21
7. Taxes on Goods and Passengers	144.58	148.90	62.14	150.00	26.09	99.11	11.09	171.79	160.11	189.49
Growth %	2.04	1.77	0.67	1.35	0.55	0.92	0.10	1.31	1.05	1.02
8 Electricity Duties	763.06	1012.77	1447.17	1700.00	1521.00	1656.52	1383.84	1592.19	1829.07	1808.21
Growth %	10.79	35.72	15.63	15.35	14.32	15.43	12.73	12.12	12.05	9.76
9 Entertainment Tax	62.00	71.00	62.71	70.68	53.00	64.80	40.09	41.38	51.19	65.00
Growth %	0.88	0.84	0.68	0.64	0.49	0.60	0.37	0.32	0.33	0.35
10 Other Taxes and Duties	63.32	74.80	106.92	136.12	112.66	120.08	145.94	172.50	168.86	144.00
Growth %	0.89	0.89	1.15	1.23	1.06	1.12	1.34	1.31	1.12	0.78
TOTAL-B	5792.89	6902.14	7615.78	9292.75	9046.82	9241.53	9529.02	11181.09	12956.32	15141.75
Growth %	81.92	81.84	83.27	83.90	85.18	86.09	87.55	85.08	85.32	81.69
TOTAL-I	7071.66	8434.01	9257.38	11075.59	10620.57	10734.86	10883.87	13138.91	15177.00	18533.40
Growth %	79.11	78.41	72.65	79.29	67.48	67.15	60.89	72.00	74.89	73.45
II State Non-Tax Revenue	1159.85	1423.38	2766.49	1925.14	3349.15	3760.94	3995.88	3271.95	3090	3162.33
Growth %	12.98	13.23	21.71	13.77	21.28	23.53	22.35	17.23	15.25	12.53
III Other Revenue	706.95	398.19	718.87	983.48	1768.87	1490.26	2995.88	1836.65	1997.45	3432.81
Growth %	7.90	3.70	5.64	6.48	11.23	9.32	22.35	10.07	9.87	13.66
GRAND TOTAL(I+II+III)	8938.46	10755.88	12742.74	13984.21	15738.59	15986.06	17875.33	18247.52	20264.94	25128.54

Source: Budgets in brief Gujarat State , An Analytical Summary, Directorate of Economics and Statistics, Government of Gujarat, Gandhinagar.

Note: Growth% is Obtained by calculating ratio of each item to total expenditure multiplied by hundred.

Taxes on profession / Income and Expenditure has yielded growth percentage rates of 1.73% 1989-90, 1.55%-1986-87, 1.42%-1990-91, 1.34%-1988-89, 1.17%-1991-92, 1.15%-1992-93 during the Eight plan period. Whereas the other remaining years have lowest growth percentage rates as follows, 0.99%-2000-01, 0.89%-2002-03, 0.87%-2004-05, 0.87%-2001-02, 0.81%-1998-99, 0.81%-2005-06, 0.77%-1999-2000, 0.71%-1995-96, and 0.68%-1996-97.

Land revenue has yielded high growth percentage rates of 2.05%-2005-06, 1.77%-1999-2000, 1.55%-2004-05, 1.52%-2005-06, 1.28%-1990-91, 1.20%-1995-96, 1.18%-1989-90, 1.13%-1988-89, 1.06%-1994-95, Whereas the other remaining years have lower growth percentage rates as follows, 0.99%-1987-89, 0.96%-2003-04, 0.93%-1991-92, 0.92%-1997-98, 0.88%-2002-03, 0.86%-1992-93, 0.81%-1996-97, during the study period respectively. Stamps and Registration has highest growth percentage rates of 6.48%-2005-06, 6.34%-2004-05, 6.28%-2003-04, 5.97%-2002-03, 5.50%-1995-96, 5.47%-1998-99, 5.06%-2000-01, 5.03%-1997-98, 5.02%-2001-02, 4.73%-1994-95, 4.69%-1999-2000, 4.67%-1990-91, 4.26%-1989-90,. This is followed by 3.94%-1992-93, 3.92%-1991-92, and 3.81%-1988-9, 3.80%-1986-87, and 3.58%-1987-88 during the plan period respectively. State Excise has yielded growth percentage rates of 0.51%-1989-90, 0.47%-1986-87, 0.46%-1988-89, 0.45%-1987-88, 0.45%-1990-91, 0.44%-2001-02, 0.43%-2002-03, .39%-1992-93, .38%-1991-92, 0.38%-2000-01, 0.37%-1994-95, 0.37%-1996-97, 0.35%-2003-04, 0.34%-1999-2000, 0.33%-1995-96, 0.31%-2004-05, 0.29%-1997-98, 0.29%-1998-99, 0.29%-2005-06. State Sales tax has yielded the highest growth percentage rates of 64.92%-1990-91, 62.30%-1986-87, 60.57%-1992-93, 59.28%-1989-90, 57.09%-1996-97, 57.44%-2002-03, 56.40%-1991-92, 55.69%-1994-95, 55.60%-1995-96, 54.74%-2004-05, 54.56%-2001-02, 54.01%-1987-88, 53.96%-2005-06, 53.90%-1997-98, 51.92%-1987-88, 53.96%-2005-06, 53.90%-1997-98, 51.92%-1999-2000, 51.84%-1998-99, While the other remaining years have lowest growth percentage rates as follows, 19.42%-2000-01, 12.98%-1988-89, and 1.29%-2003-04.

#### Central Sales tax

has highest growth percentage rates of 38.62%-1996-97, 35.75%-1994-95, and 35.70%-1995-96. This is followed by 15.43%-1988-89, 12.59%-1986-87, 11.56%-1990-91, 10.63%-2002-03, 10.63%-2003-04, 10.62%-1989-90, 10.59%-2004-05, 10.56%-1987-88, 10.25%-2005-06, 10.17%-1992-93, and 10.07%-1991-92. While the other remaining years have lowest growth percentage rates as follows, 9.90%-2000-01, 9.46%-2001-02, 8.30%-1997-98, 8.10%-1998-99, and 7.45%-1999-2000.

#### State Sales tax

has the highest growth percentage rates of 47.55%-1989-90, 46.28%-1986-87, 42.47%-1987-88, 42.21%-1992-93, 38.62%-1996-97, 37.41%-2001-02, 36.39%-1988-89, 35.70%-1995-96, 35.22%-2002-03, 35.18%-2000-01, 35.13%-1994-95, 34.41%-2004-05, 34.07%-2003-04, 33.98%-2004-05, 33.22%-1987-88, 32.95%-1998-99, 32.19%-1999-2000, whereas the other remaining year has lowest growth percentage rate as follows, 10.41%-1991-92.

Others has yielded the highest growth percentage rates of 12.38%-1997-98, 11.58%-2002-03, 11.34%-1999-2000, 11.34%-1996-97, 11.31%-1995-96, 11.16%-1990-91, 10.99%-2001-02, 10.87%-2000-01, 10.76%-1998-99, 10.58%-2002-03, 9.91%-2003-04, 9.74%-2004-05, 9.73%-2005-06, 8.93%-1992-93, 8.38%-1992-93, 7.52%-1988-89, 7.02%-1991-93, while the other remaining years have lowest growth percentage rates of 4.21%-1996-97, 3.34%-1986-87, 1.70%-1987-88, and 1.71%-1989-90.

#### Taxes on Vehicle

have yielded the growth percentage of 7.43%-2002-03, 7.13%-2003-04, 6.99%-2004-05, 6.30%-2001-02, 6.21%-2005-06, 5.91%-2000-01, 5.40%-1987-88, 4.75%-1995-96, 3.99%-1996-97, 3.85%-1986-87, 3.64%-1994-95, 3.57%-1990-91, 3.36%-1989-90, 3.17%-1991-92, 3.07%-1988-88, 3.01%-1992-93,

#### Taxes on Goods and Passengers

have high growth rates of 24.51% during 2000-01. This is followed by 4.68%-1987-88, 4.45%-1988-89, 3.94%-1990-91, 3.89%-1986-87, 3.61%-1989-90, 2.92%-1992-93, 2.89%-1991-92, and 2.04%-1996-97. While the other remaining years have lowest percentage rates as follows, 1.66%-1995-96, 1.31%-2003-04, 1.14%-1994-95, 1.05%-2004-05, 0.92%-2001-02, and 0.10%-2002-03

#### Electricity Duties

have yielded growth percentage rates of 15.43%-2001-02, 14.32%-2000-01, 13.83%-1994-95, 12.73%-2002-03, 12.12%-2003-04, 12.05%-2004-05, 11.62%-1991-92, 10.79%-1996-97, and 10.76%-1995-96. This is followed by 8.25%-1986-87, 7.09%-1987-88, 6.99%-1989-90, 6.99%-1990-91, 6.47%-1992-93, 4.76%-2005-06, 3.26%-1988-89, Entertainment tax has yielded growth percentage rates of 2.72%-1986-87, 2.01%-1987-88, 1.54%-1988-89, 1.37%-1989-90, 1.17%-1990-91, 1.06%-1991-92, 0.98%-1992-93, 0.89%-1995-96, 0.88%-1996-97, 0.73%-1997-98, 0.72%-1994-95, 0.68%-1998-99, 0.64%-1999-2000, 0.60%-2001-02, 0.49%-2000-01, 0.37%-2002-03, 0.35%-2005-06, 0.33%-2004-05, 0.32%-2003-04.

#### Other Taxes & Duties

have yielded growth percentage rates of 2.79%-1986-87, 1.34%-2002-03, 1.31%-2003-04, 1.23%-1988-89, 1.23%-1999-2000, 1.21%-1997-98, 1.15%-1987-88, 1.15%-1998-99, 1.12%-2001-02, 1.14%-1990-91, 1.06%-2000-01, and 0.97%-1992-93, 0.98%-1995-96, 0.95%-1994-95, 0.89%-1996-97, 0.83%-1991-92, 0.78%-2005-06, 1.01%-1989-90.

#### CONCLUDING REMARKS:

This paper examined the growth of government tax and non tax revenue in Gujarat During the period 1986- 2005. The results indicate that tax the yield from income tax, excises and other sources increased substantially. The sources of revenue like the Sales-tax and the Income-tax, were becoming more and more lucrative. During the same period contribution of agricultural income tax was more than doubled. From the analysis of the figures of the revenue for the plan period, it is apparent that sales tax emerged as the most expanding source followed by taxes on Vehicles ,tax on goods and passengers, Electricity Duties, Entertainment tax , and hence other taxes and duties. The contribution of Union Excise Duties was moderate. The new yield from corporation tax, tax on wealth, Custom Duties and services tax have been increasing gradually, 4.30 percent, 0.85 percent, 3.75 percent, and 1.49 percent respectively in 2005-06. Stamps and Registration as a source of revenue to the Government of Gujarat has been rising substantially from Rs.52.84 crores in 1986-87 at the rate of 3.80 percent to Rs.1200.36 in 2005-06, registering growth rate of 6.48 percent.

So far as the revenue from land is concerned, it is of the nature of a regressive tax. The yield from this source contributed a small portion to the total revenue of the Gujarat Government. The contribution made by entertainment tax was nominal as it was a temporary source of revenue. The yield derived from non-tax source was satisfactory. Likewise, taxes on income occupied the second position in the budget of the Government during plan period due to advocacy of greater share in the Central taxes. Likewise, the income from sources under the head 'Non-Tax Revenue' has continually increased, its percentage to total revenue has also a tendency to alternatively increase or decrease year after year and finally it showed a diminishing trend. The growth of public revenue from both the tax and non-tax sources indicates clearly that the Government of Gujarat has relied more upon the additional taxation and revision of existing taxes after the Seventh plan period.

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