

## Fifteenth Finance Commission invites suggestions for higher inclusive growth

The Fifteenth Finance Commission has invited suggestions/views on issues related to the terms of reference from the members of the general public, institutions and organizations.

The Commission shall review the current status of the finance, deficit, debt levels, cash balances and fiscal discipline efforts of the Union and the States, and recommend a fiscal consolidation roadmap for sound fiscal management. The Commission shall take into account the responsibility of the Central Government and State Governments to adhere to appropriate levels of general and consolidated government debt and deficit levels, while fostering higher inclusive growth in the country, guided by the principles of equity, efficiency and transparency. The Commission may also examine whether revenue deficit grants be provided at all.

### **Some of the key issues for consideration by the commission are as under:**

1. The impact on the fiscal situation of the Union Government of substantially enhanced tax devolution to States following recommendations of the 14th Finance Commission, coupled with the continuing imperative of the national development programme including New India – 2022;
2. The impact of the GST, including payment of compensation for possible loss of revenues for 5 years, and abolition of a number of cesses, earmarking thereof for compensation and other structural reforms programme, on the finances of Centre and States;
3. Efforts made by the States in expansion and deepening of tax net under GST;
4. Efforts and Progress made in moving towards replacement rate of population growth;
5. Progress made in increasing tax/non-tax revenues, promoting savings by adoption of Direct Benefit Transfers and Public Finance Management System, promoting digital economy and removing layers between the government and the beneficiaries;
6. Progress made in sanitation, solid waste management and bringing in behavioural change to end open defecation.

The Fifteenth Finance Commission as constituted in pursuance of clause (1) of Article 280 of the Constitution, w.e.f. 27th November, 2017 shall make its report available by 30th October, 2019, covering a period of five years commencing 1st April, 2020. The Commission shall use the population data of 2011 while making its recommendations.

**Please send your suggestions (if any) to Ms. Surbhi Sharma, Senior Research Officer, PHD Chamber at [surbhi@phdcci.in](mailto:surbhi@phdcci.in) latest by 1st May 2018.**

Please contact for any query related to this mail to Ms. Neha Gupta, Research Associate at [neha.gupta@phdcci.in](mailto:neha.gupta@phdcci.in) with a cc to Dr. S P Sharma, Chief Economist at [spsharma@phdcci.in](mailto:spsharma@phdcci.in) and Ms. Surbhi Sharma, Senior Research Officer at [surbhi@phdcci.in](mailto:surbhi@phdcci.in), PHD Chamber of Commerce & Industry.

**Warm regards,**

**Dr. S P Sharma  
Chief Economist**

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