

3rd February 2018

Clarification on 'Expenditure on Tax administration' in Union Budget 2018-19

In one of the Budget documents of the Union Budget 2018-19,

“Budget at a glance” under the title ‘Expenditure on Government of India’, an expenditure of Rs.77,747 crore and Rs.10,5541 crore has been shown against the item “Tax administration” under the Revised Estimates(R.E.) for 2017-18 and the Budget Estimates (B.E.) for 2018-19 respectively. It is hereby clarified that out of these estimates, Rs.61,331 crore in R.E. of 2017-18 and Rs.90,000 crore in B.E. of 2018-19 are actually “Transfer to States” relating to payment of Compensation to States on account of implementation of GST and shall be funded form imposition of Cess and thus does not involve any net outgo from revenues accruing to the Centre. These “Transfer to States” **do not** form part of expenditure on “Tax administration.”

Secretary