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Tax as a Primary Source of Revenue for Local Bodies: A Critical Analysis

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ABSTRACT

This Article highlight's the importance of the local bodies in the administration and development of the village, in the process of building the nation. The growth & development of the nation can only be achieved, if the village and its villagers actively participate in the growth. The administration of the village is exclusively vested with the Local Bodies or Local Self-Government. They receive the revenue from different sources such as grants from the Union and State Governments, imposing local body taxes and collecting fees and fines etc., They are the delegated authorities created by virtue of the Parent Act. The legislative functions performed by the Local Bodies are President, Vice-President and Chairman are elected by the peoples of the village. These Local Bodies plays an equitable role in revenue generation and collection of taxes which are assigned by the State and the Union. The taxes so collected by them are spent on the development of the village and building up of the infrastructural growth. The Parliament and the State Legislature allocate funds and these Local Bodies are capable of generating their own revenues. Being the mini-government, they are allotted and vested with the highly important works. Such as the planning for the infrastructure, implementing the welfare schemes and providing all the amenities which are required to the people. The Vision of our Prime Minister Shri. Narendra Modi Ji towards building the nation as a super power with self-sustaining and self-reliance goal by achieving "Sarvodaya or Athmanirbhar Bharat" is possible with the development of the villages by providing with full financial assistance and support.

Keywords: *Constitutional Mandate, revenue, Local Bodies, Panchayat Raj, Local Self-Government, Nations Development.*

I. INTRODUCTION

The Primary purpose of taxation, is the growth of the nation and to achieve economic and social justice in the society, which is enumerated in the Indian Constitution as a welfare state. The ideology of 'Police State' has been completely replaced by the policy of 'Welfare State'. The economic development of the nation is possible only if the contribution made by each and every

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individual to its growth. The State should frame its fiscal policy in good manner, so that the tax revenue will flow in the country and so the citizen can pay the taxes easier. Tax acts both as a source of revenue and also helps in framing the socio-economic policy of the nation. There must be sufficient means of tax, so the necessary steps may be taken by providing welfare measures.

The local bodies such as the panchayats, municipalities and corporations acts as a representatives of the Union and the State in imposing and collecting the taxes, fees and fines. With the help of the taxes collected and the grants provided by the government, they provide the basic amenities and other needs of the people in the locality. They participate in rural area development and improving the villages by designing and organizing plans for implementation as per the approvals from the Central and the state Governments.

The authority for imposing tax and collecting it, is an important function of the sovereign state, it is the power vested with legislatures for the proper functioning of government machinery.³ These local governments get the power and the constitutional authority to levy taxes from the delegated legislations from the government by way of a parent legislation. The Constitution has also made some express provisions for the providing of 'grants in-aid' for the local bodies to come out of the event of revenue deficits and centrally funded programs and schemes.

II. TAX POLICY AS A TOOL FOR ECONOMIC DEVELOPMENT

In the 20th century beginning, the principles of **progressive taxation** has been accepted and adopted all around the world.⁴ Growth and development is the primary objective of the progressive government and they also work towards it, but at the same time achieving the social justice by re-distribution of resources, which the weaker sections cannot afford and for reducing the inequalities among the people of the villages, government should concentrate more on the villages and municipalities.

Not only social justice but also the economic justice should also be achieved as contemplated in the Constitutional Morality and highlighted in the Fundamental Rights guaranteed under Constitution.⁵ Distribution of the grants by the government must be in accordance with the principle of uniformity and fairness, so that all the local bodies in India, may show their performance evenly.

The main aim of taxation is to increase the revenue by generating income to the government in an effective and fair manner, so that the welfare schemes are implemented on time. The best

³ "Rai Ramakrishnan v. Bihar, A.I.R. (1963) S.C, p-167".

⁴ "Ameresh Bagchi and Nicholas Stein, Tax Policy and Planning in Developing Countries (1994), p.37".

⁵ Constitution of India, 1950.

possible way of removing disproportion of income in the society, is achieved by way of imposing progressive taxation and allocation of economic resources to the weaker sections. Improving the quality of life and standard of living conditions of the individual, by way of positive discrimination of state and controlling the accumulation of wealth of the rich by laying a yard stick, by way of ceiling and restrictions, through the tax system is highly encourageable.⁶

The tax policy of the state should be framed by considering the material equality and maximum welfare of the society. In other words “all things for all”, which means each and every sections of the society is adequately granted all the basic and fundamental necessity, which is the good tax planning and policy of the welfare government.⁷

III. ROLE OF LOCAL BODIES IN IMPLEMENTING WELFARE MEASURES

The Central Government is working hard, in formulating policies and implementing the suggestions of the Planning Commission and Advisory Board, to provide quality of living to its citizens. Due to the challenges of nationwide focus, these schemes and welfare policies are assigned to local authorities, who get the necessary finances for their execution. The welfare schemes and policy are drafted in such a manner so that it fulfils the needs of the present and future requirements of the villages. The quote that “*Rome was not built in a single day*” like for a strong Nation each and every stone is necessary for building its compound wall by step-by-step process. Like the support from each and every one, such as support from the Union, State, Corporation and finally the tax payer is needed in building the strong infrastructural development to these villages.

The villages are very much left behind, in the process of development as lack of several amenities and other basic needs. The educational institutions like schools, colleges and universities, medical necessities like the primary health care centers, hospitals and medical colleges, even in some villages the food grains procurement unit of the government is not available. The State should allot some more funds on priority basis to the local bodies which are left behind in the process of development and lacks infrastructure. The creation of new employment opportunity to the youths of the municipalities may reduce the urbanization. The local bodies are contributing more source of tax revenues to the governments such as property tax, professional tax, entertainment tax and other taxes, so the allocation of grants and funds should also be more to them.

⁶ S. Sankaran, Economic Analysis (1990, Madras), p.629.

⁷ “Progressive Taxation on Personal Expenditure” by Ian Hinckfuss

IV. LEGISLATIVE FRAMEWORK CONCERNING TAXATION OF LOCAL BODIES

The Classification of any village as a panchayat or municipality or corporations depends upon the population of the village in which the numbers of people to be taken in to account. They are otherwise called as Local Bodies which is the local self-government where it does the roles and responsibilities of a mini-government. This topic deals about the legislative frame work of these local bodies, where they get powers to levy taxes and what are the laws/statues which is in supporting to it by analysing it.

The TN Panchayats Act, 1958 gave ultimate & vast powers to local bodies, and their authorities who are otherwise called the revenue authorities nowadays. This Act has been repealed and replaced by the New Act named as “*The Tamil Nadu Panchayats Act, 1994*” [*Tamil Nadu Act 21 of 1994*] (*Updated up to 20/06/2008*) which is now inforce and acting as a Parent Legislation for the Local Bodies and with this parent legislation the Revenue Authorities can make Rules, Regulations, Orders, Bye-Laws, and Office orders/Memorandum as Delegated Legislations.⁸

The Tamil Nadu Government has also passed another legislation as “*Tamil Nadu Village Panchayat (Assessment and Collection of Taxes) Rules, 1999*” by supporting the above stated Parent Legislation for the easier implementation of the same by passing a Government Order in the form of (“*G.O. (Ms) No. 255, Department of Rural Development, Dated 13.12.1999*”).⁹ By invoking the powers vested by the Parent Act, Sections 171, 172,174, 176 and 242 (1) of the 1994 Act, and in supersession of the Rules related to House-tax, Governor of Tamil Nadu made the Rules, 1999 as stated above¹⁰.

The Ultimate purpose of repealing the 1958 Act¹¹, and re-enacting the New Tamil Nadu Panchayat Act, 1994 (herein after called as the Act) for constituting an organisational setup of 3 tier Panchayat system in the State, to elect representatives at the village and intermediaries at district level to implement the (73rd Constitutional Amendment) Act, 1992, with regard to Panchayat and public participation at large, and make the Institutions function as self-governance for implementing the rural development programmes and schemes formulated by the Central and state Government.¹²

The Act contains 262 sections and 7 schedules. This particular Act is very exhaustive and construed in such a manner that all the roles and responsibilities are clearly stated and cited. For

⁸ “The Tamil Nadu Panchayats Act, 1994”

⁹ “Tamil Nadu Village Panchayat (Assessment and Collection of Taxes) Rules, 1999”

¹⁰ Ibid.

¹¹ Tamil Nadu Panchayats Act, 1958.

¹² The Constitution of India (73rdAmendment) Act, 1992.

the easier and effective functioning of the day-to-day activities the power to make Rules regarding the same has also enacted as TN PANCHAYAT Rules, 1999. This is the out-look and an overview of the Act as well as the Rules. Now the aim & object of the Act and purpose of enacting this legislation and the intention of the legislatures are discussed below for the understanding the legislative frame work with appropriate Provisions concerning those Acts.

(A) Key provisions under Tamil Nadu panchayats act, 1994

- Sec. 167 empowers the local bodies to collect Local Cess.
- Sec. 168 empowers the local bodies to collect the surcharge on Local Cess.
- Sec. 169 empowers the local bodies to pass appropriate orders with respect to collecting Local body Cess, Surcharge and Duty for property transfers.
- Sec. 170 empowers the local bodies to impose Land Revenue Assignment.
- Sec. 172 empowers the local bodies to collect House tax.
- Sec. 172-A empowers the local bodies to Levy and collection of advertisement tax.
- Sec. 173 empowers the local bodies to collect Vehicle tax.
- Sec. 175 empowers the local bodies Duty on transfer of property.

These are relevant and important provisions of the Act to be taken in to consideration for easier understanding of the legislative frame work of the TN Panchayat Act, 1994.¹³

(B) Major provisions under the rules 1999.¹⁴

- Sec 3. of the Rules, 1999 Grants power to the local bodies to Determination of tax.
- Sec 4. of the Rules, 1999 Grants power to the local bodies to amend assessment.
- Sec 5. of the Rules, 1999 Grants power to the local bodies to issue Receipt for payment of tax.
- Sec 6. of the Rules, 1999 Grants power to the local bodies to levy of house-tax.
- Sec 17. of the Rules, 1999 defines Persons liable to pay house tax.
- Sec 23. of the Rules, 1999 Grants power to the local bodies to impose Tax on Agricultural land.
- Sec 26. of the Rules, 1999 Grants powers to the local bodies to revoke or alter the orders

¹³ kindly check the Act in www.indiacode.gov.in for more information.

¹⁴ “TN VILLAGE PANCHAYAT (ASSESSMENT AND COLLECTION OF TAXES) RULES, 1999.”

passed by the Executive Authority.

- Sec 28. of the Rules, 1999 states the Assessment of tax when final.
- Sec 29. of the Rules, 1999 states that Collecting taxes or fee which are arrears to Panchayat.
- Sec 30. of the Rules, 1999 defines the Mode of collection.
- Sec 36. of the Rules, 1999 states that the Liability/responsibility upon the occupier to pay house-tax.
- Sec 37. of the Rules, 1999 defines the mode of Recovery of arrears of tax.
- Sec 38. of the Rules, 1999 Grants power to Imposition of fine.

These are relevant and important provisions of the Rules to be taken in to consideration for easier understanding of the legislative frame work of the above Rules, 1999.¹⁵

V. LOCAL BODIES - AN OVERVIEW

Local bodies which are otherwise called as the local self-government, takes care of the Revenue Administration of a particular village, towns, or cities for proper implementation of welfare schemes and authorised in collecting taxes.¹⁶ Local Self-Government in India are divided into two types, the one which are created for the purpose of planning & development of *villages* and responsible for their administration, are Rural Local-Body (Panchayat) and which constituted in the *towns or cities* are Urban Local-Body (Municipality).¹⁷

Local Self-Governance is incorporated in 2nd List in State subject as Entry 5 of 7th Schedule of the Indian Constitution, and Art-243 (G) defines about the powers & functions of Local Bodies.¹⁸ Local bodies acts as an important pillar in the journey of growth and achievement of the nation, to becoming an economic power by enabling infrastructural growth availability to all its citizens.¹⁹

The local bodies play the following roles which are as follows:

- Being a delegated authority, it regulates the administration of the jurisdiction assigned to it and work for the welfare measures and schemes which has to be implemented.
- They provide services in the urban areas such as water to irrigations and maintaining the

¹⁵ Idem

¹⁶ Rathbone William, Local Government and Taxation, Franklin Classics Trade Press, 2016, p-82.

¹⁷ <https://tnrd.gov.in/tax> a source of revenue for local bodies.

¹⁸ Constitution of India 1950. www.India Code Website.

¹⁹ Bidyut Chakrabarty and Rajendra Kumar Pandey, Local Governance in India, sage publications, 2018, p-43.

village/rural areas effectively and managing the books of accounts.

- They act as the Subordinate authority in taking the welfare measures and schemes to the general public at large which are formulated by the Union and the State. E.g., namely the family planning scheme, planting trees on sides of the road and rain water harvesting schemes etc.
- Works for the development and betterment of living by building up of infrastructure, running schools and providing medical assistance by way of primary health care centers.

(A) Rural Local Bodies

The phrase '**Panchayat Raj**' was created during the British Governance. 'Raj' means Governance. Our Nation's father '**Mahatma Gandhi ji**' the chief supporter of the Panchayat Raj system, which means decentralizing the Governance by transferring the powers to the panchayat and municipality at grass-root level, so that every village would be responsible for their affairs.²⁰ Gandhi Ji's ideology of "**Gram Swaraj**" or Local self-government, was incorporated by the States in the late 1950s & 1960s.²¹ Constitution was amended by the parliament, to setup Panchayats in various states, by including it in 7th Schedule of '**State List**'. States have delegated some of the functions of administration and welfare measures vested with them to the Village Panchayat as delegated legislation.

After India's freedom, Programme related to Community Development has been initiated in 1952, but the people unable to understand due to its complexity and technicality. People considered it as a burden imposed on them by the government and so the Programme was dropped due to its failure. So the government constituted a Committee headed by "**Shri. Balwantrai Mehta**" to analysis the reason on failure of Programmes. He submitted the report, stating people's participation must be encouraged at Rural level. So that, the people who really deserves the welfare measures are easily find out, and implement the government programmes and schemes would be an easy task. His report includes, that this organization would act as a representative of villagers by assuring development to the village by making awareness among them.²²

After the report of the above said Committee, the government setup another Committee headed by **Ashok Mehta** to study the functioning of Panchayats in 1977. The aforesaid Committee submitted its report by stating that, Panchayat Raj acts as the spirit of democracy, so it should

²⁰ S.R. Maheswari, Local Government in India, LNA Publishers, 1970 p-64.

²¹ M P Sharma, Local Self-Government in India, Manoharlal Publishers, 1978, p-109.

²² Balwantrai Mehta Committee formed by the Parliament to study the implementation of Panchayat Raj System.

be authorised and granted with adequate administrative power. Panchayats which created after the year 1977 are called as '2nd Generation Panchayats'. After accepting the suggestions submitted by the Committee the Panchayats in West Bengal started functioning effectively.²³

In 1990, the government considered, absence of Constitutional mandate, Local-Bodies cannot function effectively. So, the parliament amended Constitution by way of 73rd Amendment, 1992 and enforced on 20th April 1993. This Amendment brought many reforms in Local Self-Governance in the country, by enabling delegation of powers to the panchayats. It includes making plans for improving economic & social justice in the society by implementing the 29 subjects, provided in XIth Schedule to the Constitution. The source of revenue for Panchayats are from 3 sources, namely "local body grants (based on the recommendation of the Central Finance Commission), funds for implementation of centrally-sponsored schemes, and funds released by the state governments on the recommendations of the State Finance Commissions".²⁴

(B) Source of revenue for panchayats & municipalities:

Article 243H (Panchayat) and **Article 243X** (Municipalities)²⁵ enshrines the state legislative assembly: -

- permit the Panchayat's to collect, and appropriate the taxes, levies, tolls, and fees according to the procedure prescribed²⁶;
- allocates State revenues, charges, tolls, and fees to the Panchayat for the stated goals²⁷;
- Panchayats get state Consolidated Fund grants²⁸;

(C) Taxes received by the local bodies and their duty

1. Town & Urban development,
2. Regulating land usage,
3. Planning for economic & social development,
4. Supply of water for houses & industries,
5. Maintenance of health, sanitation and solid waste,

²³ Ashok Mehta Committee formed by the Parliament to study the implementation of Panchayat Raj System.

²⁴ Constitution of India 1950. www.India Code Website.

²⁵ Ibid.

²⁶ Udai Raj Rai, Constitutional Law: Governance Structure, EBC Publications, 2nd edition, 2022, p-108.

²⁷ Ibid.

²⁸ Ibid.

6. Improving the Slums and up-grading it,
7. Controlling slaughter houses & tanneries,
8. Managing street lights, parking lots & bus stops,
9. Registration of Birth and Death,
10. Burial and Cremation grounds,
11. Urban amenities like parks, gardens and play grounds.
12. Controlling the Mosquito menace and prevention of diseases.

(D) List of taxes collected by local bodies

Property Taxes in entry	49
Tax on entry of goods entry	52
Advertisement taxes entry	55
Tax on non-motorized vehicles entry	57
Entertainment taxes entry	55
Tax on animals & entry of boats	58
Taxing professions, trades, and employment	60

(E) Collected and assigned taxes of local bodies

Sl. No	Own Taxes	Assigned Revenues	Grants	Other Revenues
1.	Property Tax	Entertainment Tax	Centrally sponsored special schemes	Non-Tax Revenues like properties, shops, Bus Stands, Guest houses etc.
2.	Vacant Land Tax	Stamp Duty Surcharge		License fees on D & O Trade
3.	Profession Tax	Surcharge on Sales Tax		License fees on building regulations
4.	Vehicle Tax	Income from		User charges

		minor Minerals		
5.	Tax on Animals			Miscellaneous Revenues
6.	Tax on Timbers			
7.	Tax on Companies			
8.	Tax on Advertisement			

Applicable only for Chennai City Corporation.

Sl. No	Own Taxes	Assigned Revenues	Grants	Other Revenues
1.	Property Tax	Entertainment Tax	Grants for specific schemes & Maternity centres	Non-Tax Revenues like properties, shops, Bus Stands, Guest houses etc.
2.	Vacant Land Tax	Stamp Duty Surcharge		License fees on D & O Trade
3.	Profession Tax	Surcharge on Sales Tax		License fees on building regulations
4.	Vehicle Tax	Income from minor Minerals		User charges
5.	Tax on Animals			Miscellaneous Revenues

Applicable for Municipalities.

Sl. No	Own Taxes	Assigned Revenues	Grants	Other Revenues
1.	House Tax	Entertainment Tax	Road Maintenance and improvement	Non-Tax Revenues like properties, shops, Bus Stands,

			grant.	Guest houses etc.
2.	Profession Tax	Stamp Duty Surcharge	Lightening grant	License fees on D & O Trade
3.	Vehicle Tax	Surcharge on Sales Tax	Other grants for agency	License fees on building regulations
4.	Tax on Agricultural Purpose.	Income from minor Minerals		User charges
5.				Miscellaneous Revenues

Applicable only for the Town Panchayat.

VI. GRANTS RECEIVED BY THE URBAN LOCAL BODIES FOR YEAR 2021-2022

A Sum of Rupees. Ten Thousand Six Hundred and Ninety Nine Crores is allotted to the Local Bodies situated in Urban areas or cities in the year **2021-2022** as grants-in-aid.

As per the suggestions of the Finance Commission²⁹ and the data provided by the Department of Expenditure; Finance Ministry, a total sum of Rs. 1348.10 crore has disbursed to Local Bodies situated at urban areas of 6 States as grants. The following states qualify as "Tied Grants": Jharkhand (112.20 crore), Karnataka (375 crore), Kerala (168 crore), Odisha (411 crore), Tamil Nadu (267.90 crore), and Tripura (14 crore). Tied grants are extra money given to urban local governments by the State and the Centre for drinking water and sanitation under different Centrally Sponsored Schemes, ensuring that residents receive high-quality services.³⁰

State	Amount of ULB grants for 2021-2022 in crores
Andhra Pradesh	873
Bihar	759
Chhattisgarh	369
Goa	13.50

²⁹ 15th Finance Commission of India.

³⁰ "Please refer the official website of the Government of India www.pib.gov.in"

Gujarat	660
Haryana	193.50
Himachal Pradesh	98.55
Jharkhand	299.20
Karnataka	750
Kerala	366
Madhya Pradesh	499
Maharashtra	461
Mizoram	17
Odisha	822
Punjab	185
Rajasthan	490
Sikkim	10
Tamil Nadu	1188.25
Telangana	209.43
Tripura	72
Uttar Pradesh	1592
Uttarakhand	104.50
West Bengal	696
Total	10699.33

(A) Grants received by the rural local bodies for year 2022-2023

A sum of Rs. 15,705.65 crore is allotted to Rural Local bodies situated in the villages during the year **2022-2023** as Grants-in-aid.

According to the recommendations of the 15th Finance Commission and the data supplied by

the Department of Expenditure, Ministry of Finance, a total sum of Rupees is shown. 4,189.58 crore has been allocated to Karnataka (Rs. 628.07 crore), Tripura (Rs. 44.10 crore), Uttar Pradesh (Rs. 2,239.80 crore), Andhra Pradesh (Rs. 569.01 crore), and Gujarat (Rs. 708.60 crore) for the purpose of granting funds to the Rural Local Bodies as "Tied Grants." Tied funds are allocated to Rural Local Bodies for the provision of drinking water and sanitation services,³¹

- (a) upholding the Open-Defecation Free (ODF) status through sanitation; and
- (b) supplying drinking water, collecting rainwater, and reusing used water.

Fourty percent of the funds are utilized for Panchayati Raj's discretion, while sixty percent can be used for sanitation, rainwater harvesting, and drinking water supplies (known as tied grants).

State	Amount of RLB grants for 2022-2023 in crores
Andhra Pradesh	948.35
Arunachal Pradesh	0.00
Assam	0.00
Bihar	1921.00
Chhattisgarh	557.00
Goa	0.00
Gujarat	1181.00
Haryana	0.00
Himachal Pradesh	224.30
Jharkhand	249.80
Karnataka	1046.78
Kerala	623.00
Madhya Pradesh	1472.00
Maharashtra	1092.92
Manipur	0.00
Meghalaya	40.50
Mizoram	0.00
Nagaland	18.40
Orissa	864.00
Punjab	0.00
Rajasthan	0.00
Sikkim	6.60

³¹ "Please refer the official website of the press information bureau www.pib.gov.in"

Tamil Nadu	1380.50
Telangana	273.00
Tripura	73.50
Uttar Pradesh	3733.00
Uttarakhand	0.00
West Bengal	0.00
Total	15705.65

Note:

The above table indicates the data extracted form the official website of the Government of India as grants to the local bodies as grants for the 1st Instalments to some states and 2nd and 3rd instalments for other states.

VII. RECOMMENDATIONS OF THE 5TH TAMIL NADU FINANCE COMMISSION

The Fifth State Finance Commission has made the following suggestions regarding the local bodies:

- To revise the house tax in all village panchayat without any postponement.
- To introduce slab rates, depend on the type of building to have transparency.
- Make steps to identify the unassessed buildings respect of property tax.
- Appointing the Arbitral Authority and Assistant Director and constituting the Tribunals at District level for settlement of tax issues.
- Power to grant permission for erecting the boards related to advertisement and collecting fees, tax and fines.
- Power to collect tax respect of the advertisement, wall painting, posters, banners and flex boards.
- Enhancing the water charges in the panchayat to raise revenue.
- Fixing the water meters in the houses and collecting charges based on the usage. Eg. Has been implemented in the Coimbatore Corporation
- Building plan and layout approval fees to be revised.
- Enhancing the fees for the trade license.

- The assigned revenue such as the surcharge on stamp duty and entertainment tax to be distributed on time.
- Enhancing/revising the rents of the building and property let-out by the corporation and municipalities.

VIII. CONCLUSION

Taxes are the primary income to the Local-Bodies, for fulfilling the obligations of the welfare state. To achieve the Constitutional goals, particularly the empowerment and upliftment of the unprivileged & deprived classes of the society the collected taxes are spent. The primary obligation and duty of the state is to maintain law & order and peace & security. For maintenance of Peace & Security employing good defence forces and providing training for them, tax revenue are highly important, not only for this purpose, the development of nations infrastructural growth by building schools, colleges and hospitals. So tax are imposed by the state, with authority of law, by Act of Parliament by virtue of law making body the legislatures, which is the 1st pillar of Democracy. This pillar is important in the administration of the governmental machinery and running the day-to-day affairs of the state.

According to the thoughts and vision of the father of our Nation 'Mahatma Gandhi Ji', empowerment can be achieved only if it starts from the Gramam or village level. By providing all the basic amenities such as education, health, sanitation, infrastructure and others basic and essential amenities etc., the villagers can live peacefully by empowering themselves. It was Gandhi Ji who always supported in establishing the Grama Nyalaya or Village Court for the speedy and easier justice with cost effective. Each and every poor should be happy by getting justice easier, without any difficulty or complications. He was the profounder of the Grama Sabha or village council, which is the representative body of the entire village for the welfare measures and Schemes of the Government. As a result and outcome of the Slogan of Sarvodaya or Athmanirbhar, which ultimately means the made in India for "Sudasi Moment". India should be self-sustained is the vision of the Gandhi Ji. Our Hon'ble Prime Minister of India, Shri. Narendra Modi Ji, consistently raising concern over the 'Athmanirbhar Bharat' means make in India products. This includes self-sustained, self-reliance and India should be self-sufficient in all the sectors including the manufacturing, electronic, power & energy and food productions. Our Prime Minister, Modi Ji is tirelessly working for achieving the dreams of the Mahatma Gandhi Ji and the best example is "Swatch Bharat".

To attaining the obligation by fulfilling the vision of Mahatma, the Parliamentarian enacted the 11th & 12th Schedule of the Constitution, by creating a New Schedule for Panchayat and

Municipality. They are the mini or small government in the village which collect, levy, impose and assign taxes for their own administration and for the welfare measures assigned to them. They are otherwise called as Local-Bodies or Local-Self Government, make laws in the form of Delegated legislations, acts as an Executive authority by doing administrative functions and sometimes functions as a Court i.e., the Village Panchayat. For their effective and efficacious discharge of duty they levy and collect taxes as already discussed above.

The Income in the form of revenues is mentioned, listed and tabulated above for the easier understanding of the taxes collected. The list shown above related to the disbursal of funds by the Union to the Local Bodies in a periodic interval, is an encouraging one. Like the same way in future the distribution of funds to be provided without any delay. The fees, fines, rents, taxes and other charges which the local bodies are assigned should be enhanced or increased periodically. It is interesting to note that they sometime impose fines for those who violating the orders. One such e.g., is that the opening of shops during Covid lock-down and violating the social distancing protocol, fines are imposed upon the violators. So, whenever there is a Right there will be a Duty interlinked with it. So, the Local Bodies has a duty by laying roads, maintain bus stops, collecting garbage and maintaining street lights and so on and so forth. The taxes and revenues collected directly by them and other revenues in the form of funds received from Union and States, also supports their proper administration.

(A) Suggestions

It has been noted that the Local Bodies play an indispensable and vital role in the Revenue Administration as well as the reducing the burden of the State and Central Government by direct supervisions of Schemes. Recently the State Finance Minister stated that it is the Local Bodies who knows properly what are the welfare measures needed in that particular village or locality. So if the Local Body is skipped or removed as an intermediary, the funds allotted for the welfare measures will not be properly used or spent completely and also huge amount of money will be wasted unaccountably.

My humble suggestion is that local bodies are functioning effectively with the administration of the Revenue Divisional Officer (RDO) who particularly administer and take care the needs and obligations of the village, and in generally the Revenue Administration of the whole District is maintained by the District Revenue Officer (DRO) who is an IAS officer or in the cadre. So the government should support this Local Bodies by providing more funds by allocating it in future, to attain the infrastructural development, so that several industrial undertakings will be ready to establish the factory, it acts as an employment opportunity for the villagers.

The Ministry of Road Transport and National High Ways headed by Shri. Nitin Gadkari had announced that he will extend all his fullest cooperation for laying roads all the villages and rural areas which connects the highways for effective road transportation. The recent budget session held in the Parliament for the year 2022-2023 the scheme called as “PM. Gati Shakti” is launched as an initiative as a dedicated freight transportation across the country. Connecting the last mile such as the, roads, railways, ships and airways, huge amount of funds have been allocated by the Union for infrastructural development in road transport. Hope we expect the local bodies and the panchayats will change ultimately and see huge growth. Several schemes Jal Jeevan, Jal Shakti, Swachh Bharat will reform these villages in to cities in near future. Water for every houses by installing pipelines, clean India initiative, laying roads and building educational institutions and hospital.

The Executive Authority should support the local bodies by proper maintenance of Primary Health Care Centre by appointing well qualified Doctors and Public Work Departments should provide all infrastructure facilities. Tax being a strict construction statute, the payers should pay the same in a proper manner for the implementing various welfare measures. The arrears or default in tax payment will delay the progress of the county in large and the village in particular. Not only for achieving the welfare measures and public schemes, taxes are also needed to build the gap which prevailing in the society. These gaps can only be filled after achieving the Social Justice and Economic Justice, which can only be achieved with the help of taxes.

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