

Karnataka Budget Analysis 2020-21

The Chief Minister, Mr. B. S. Yediyurappa, presented the Budget for Karnataka for the financial year 2020-21 on March 5, 2020.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Karnataka for 2020-21 (at current prices) is estimated to be Rs 18,05,742 crore. This is a 6.3% increase from the revised estimate of 2019-20. In 2019-20, the GSDP is estimated to grow at a rate of 21% over the previous year (at current prices) as per the revised estimates.
- **Total expenditure** for 2020-21 is estimated to be Rs 2,37,893 crore, a 5% increase over the revised estimate of 2019-20. In 2019-20, total expenditure is estimated to decreased by Rs 7,528 crore (3.2%) from the budgeted estimates.
- **Total receipts (excluding borrowings)** for 2020-21 are estimated to be Rs 1,80,216 crore, an increase of 1.5% as compared to the revised estimate of 2019-20. In 2019-20, total receipts (excluding borrowings) are estimated to fall short of the budgeted estimate by Rs 4,540 crore (2.5%).
- **Fiscal deficit** for 2020-21 is targeted at Rs 46,072 crore (2.55% of GSDP). In 2019-20, fiscal deficit decreased by Rs 3,299 crore to 2.28% of GSDP, as compared to the budgeted 2.48% of GSDP. The budget estimates a Rs 143 crore **revenue surplus** (0.01% of GSDP) in 2020-21.
- In 2020-21, sectors such as Irrigation and Flood Control (29%), Rural Development (23%), and Water Supply, Sanitation, Housing and Urban Development (13%) saw the highest increase in allocations. Allocation to the Agriculture and Allied Activities sector (24%) saw the highest decrease.

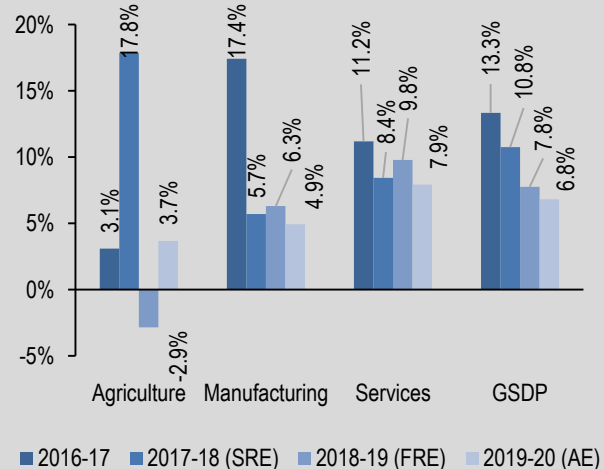
Policy Highlights

- **Tax proposals:** Multiple changes have been proposed to different state taxes. Some of these include: (i) 3% increase in sales tax on petrol and diesel, (ii) reduction of stamp duty to 2% for first registration of new houses below 20 lakhs, (iii) increase in excise duty by 6%.
- **Mukhyamantrigala Nava Nagaroththana:** A new scheme has been launched for overall development of Bengaluru city. This will include different projects such as solid waste management, lake development, transportations among others. Rs 8,344 crore has been allocated towards this project.
- State provides an additional assistance of Rs 4,000 under the Pradhan Mantri Kisan Samman Scheme. Rs 2,600 crore will be spent on this scheme during the year.

Karnataka's Economy

- **GSDP:** The growth rate of Karnataka's GSDP (at constant prices) has decreased from 13.3% in 2016-17 to 6.8% in 2019-20.
- **Sectors:** In 2019-20, agriculture, manufacturing, and services contributed 10%, 26%, and 64%, respectively, to the state's economy. In the same year, these sectors grew by 3.7%, 4.9%, and 7.9%, respectively.
- **Per capita income:** The per capita GSDP of Karnataka in 2018-19 (at current prices) was Rs 2,31,491. This is 12% higher than the per capita GSDP in 2017-18.
- **Unemployment:** According to the Periodic Labour Force Survey 2017-18, Karnataka has an unemployment rate of 4.8%, which is lower than the all-India unemployment rate of 6.1%.

Figure 1: Growth rate in GSDP and sectors in Karnataka at constant (2011-12) prices



Sources: Karnataka Budget Document 2020-21, Central Statistics Office, MOSPI; PRS.

Note: These numbers are as per constant prices, which implies that the growth rate is adjusted for inflation. SRE – Second Revised Estimates, FRE – First Revised Estimates, AE – Advance Estimates

Budget Estimates for 2020-21

- Total expenditure in 2020-21 is targeted at Rs 2,37,893 crore, which is 5% higher than the revised estimate of 2019-20. This expenditure is proposed to be met through receipts (other than borrowings) of Rs 1,80,216 crore (77%) and borrowings of Rs 52,918 crore (23%). Total receipts (other than borrowings) in 2020-21 are expected to be 1.5% higher than the revised estimate of 2019-20. Borrowings are estimated to increase by 9.1% in 2020-21, as compared to the revised estimate of 2019-20.
- In 2019-20, as per the revised figures, expenditure is estimated to decrease by Rs 7,528 crore (3.2%) in comparison to the budgeted estimate, whereas receipts (other than borrowings) are estimated to fall short by Rs 4,540 crore (2.5%) during the same period.

Table 1: Budget 2020-21 – Key figures (in Rs crore)

Items	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 2019-20 to RE 2019-20	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21
Total Expenditure	2,14,529	2,34,153	2,26,625	-3.2%	2,37,893	5.0%
A. Receipts (except borrowings)	1,65,004	1,82,138	1,77,598	-2.5%	1,80,216	1.5%
B. Borrowings	41,914	48,601	48,490	-0.2%	52,918	9.1%
Total Receipts (A+B)	2,06,918	2,30,738	2,26,088	-2.0%	2,33,134	3.1%
Revenue Surplus	679	258	285	10.5%	143	-49.7%
As % of GSDP	0.05%	0.02%	0.02%		0.01%	
Fiscal Deficit	38,442	42,051	38,752	-7.8%	46,072	18.9%
As % of GSDP	2.73%	2.48%	2.28%		2.55%	
Primary Deficit	23,019	22,991	20,111	-12.5%	23,855	18.6%
As % of GSDP	1.63%	1.35%	1.18%		1.32%	

Note: BE indicates Budget Estimate and RE indicates Revised Estimate.

Sources: Karnataka Budget Documents 2020-21 (Annual Financial Statement, MTFP Statement); PRS.

Expenditure in 2020-21

- Capital expenditure** for 2020-21 is proposed to be Rs 58,117 crore, which is an increase of 17% over the revised estimate of 2019-20. Capital expenditure includes expenditure affecting the assets and liabilities of the state, such as: (i) capital outlay, i.e. expenditure which leads to creation of assets (such as bridges and hospitals), and (ii) repayment and grant of loans by the state government.
- In 2020-21, **capital outlay** is estimated to be Rs 43,059 crore, which is 16.6% higher than the revised estimate of 2019-20. Sectors receiving the highest allocation for capital outlay in 2020-21 include irrigation and flood control (40% of the total capital outlay), and transport (20%).
- Revenue expenditure** for 2020-21 is proposed to be Rs 1,79,776 crore, which is 1.6% higher than the revised estimate of 2019-20. Revenue expenditure includes subsidies, and payment of salaries, pension, and interest.
- Revenue expenditure forms 76% of the total expenditure in 2020-21. Remaining 24% of the total expenditure comprises of capital outlay (18%), and repayment and grant of loans (6%).

Subsidies: The state provides subsidies to the departments of agriculture and co-operation, power, housing, and transports among others. In 2020-21, Karnataka will provide subsidies of Rs 23,476 crore. This is 8.6% lower than the revised estimate of 2019-20, where Rs 25,688 crore was provided as subsidies.

Table 2: Expenditure budget 2020-21 (in Rs crore)

Items	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 2019-20 to RE 2019-20	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21
Capital Expenditure	50,229	52,548	49,655	-5.5%	58,117	17.0%
of which Capital Outlay	34,659	39,080	36,930	-5.5%	43,059	16.6%
Revenue Expenditure	1,64,300	1,81,605	1,76,970	-2.6%	1,79,776	1.6%
Total Expenditure	2,14,529	2,34,153	2,26,625	-3.2%	2,37,893	5.0%
A. Debt Repayment	11,083	9,964	10,275	3.1%	11,605	12.9%
B. Interest Payments	15,423	19,060	18,641	-2.2%	22,216	19.2%
Debt Servicing (A+B)	26,506	29,025	28,916	-0.4%	33,822	17.0%

Note: BE indicates Budget Estimate and RE indicates Revised Estimate.

Sources: Karnataka Budget Documents 2020-21 (Annual Financial Statement); PRS.

Sector-wise Expenditure in 2020-21

The sectors listed below account for **66%** of the total expenditure towards all sectors in 2020-21. A comparison of Karnataka's expenditure on certain key sectors with that by the other states can be found in Annexure 1.

Table 3: Sector-wise expenditure in Karnataka Budget 2020-21 (in Rs crore)

Sector	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21	Budget provisions for 2020-21
Education, Sports, Arts and Culture	24,532	27,943	28,184	28,967	3%	<ul style="list-style-type: none"> Rs 1,080 crore has been allocated to government secondary schools and Rs 1,314 crore to government colleges.
Irrigation and Flood Control	14,155	15,775	15,238	19,603	29%	<ul style="list-style-type: none"> Rs 14,217 crore has been allocated towards investment in various public sector undertakings.
Agriculture and allied activities	20,519	22,309	21,805	16,472	-24%	<ul style="list-style-type: none"> Rs 2,600 crore has been allocated towards providing direct assistance in addition to Pradhan Mantri Kisan Samman Yojana Rs 900 crore has been allocated towards crop insurance.
Water Supply, Sanitation, Housing and Urban Development	12,635	13,013	12,152	13,749	13%	<ul style="list-style-type: none"> Rs 830 crore has been allocated towards providing loan for constructing ring road around Bangalore city.
Social Welfare and Nutrition	18,253	19,718	17,174	13,395	-22%	<ul style="list-style-type: none"> Rs 371 crore has been allocated to child welfare and Rs 179 crore towards women's welfare.
Energy	10,689	13,128	13,128	12,918	-2%	<ul style="list-style-type: none"> Rs 9,115 crore has been allocated towards subsidies to Karnataka electricity board.
Transport	12,555	12,479	12,981	12,220	-6%	<ul style="list-style-type: none"> Rs 519 crore has been allocated towards state highways and Rs 849 crore towards district and other roads.
Health and Family Welfare	9,477	9,693	9,170	10,296	12%	<ul style="list-style-type: none"> Rs 1,433 crore has been allocated towards urban health services and Rs 1,413 crore towards rural health services.
Rural Development	7,068	7,837	7,910	9,769	23%	<ul style="list-style-type: none"> Rs 4,580 crore has been allocated towards grants to gram panchayats.
Welfare of SC/ST/OBC and Minorities	11,910	11,114	10,054	9,402	-6%	<ul style="list-style-type: none"> Rs 3,027 crore has been allocated to welfare of SCs, Rs 1,242 crore to welfare of STs and Rs 2,352 towards welfare of backward classes.
% of total expenditure	71%	69%	69%	66%		

Sources: Karnataka Budget Documents 2020-21 (Annual Financial Statement, Detailed Demands for Grants, Budget Speech); PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure towards payment of salaries, pension, and interest. A larger proportion of the budget allocated for committed expenditure items limits the state's flexibility to decide on its other expenditure priorities such as capital investment. In 2020-21, Karnataka is estimated to spend Rs 81,718 crore on committed expenditure, i.e. payment of salaries, pension, and interest (equivalent to 45% of the state's revenue receipts). This implies that the state has 55% of its revenue receipts remaining for all other kinds of expenditure. Any additional expenditure will be met through borrowings. On average, 50% of the revenue receipts of a state are spent on committed expenditure.

In 2020-21, committed expenditure is expected to increase by 13.8% as compared to the revised estimate of 2019-20. Expenditure on interest payment is expected to increase by Rs 3,575 crore (19.2%).

Table 4: Committed expenditure for Karnataka in 2020-21 (in Rs crore)

Item	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 2019-20 to RE 2019-20	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21
Salaries	28,967	32,988	33,598	1.8%	37,291	11.0%
Pension	15,109	19,236	19,555	1.7%	22,211	13.6%
Interest	15,423	19,060	18,641	-2.2%	22,216	19.2%
Committed Expenditure	59,499	71,284	71,794	0.7%	81,718	13.8%

Sources: Karnataka Budget Documents 2020-21 (Annual Financial Statement); PRS.

Receipts in 2020-21

- The **total revenue receipts** for 2020-21 are estimated to be Rs 1,79,920 crore, an increase of 1.5% over the revised estimate of 2019-20. Of this, Rs 1,19,758 crore (67% of the revenue receipts) will be raised through state's **own resources**, and Rs 60,162 crore (33% of the revenue receipts) will be in the form of **central transfers**, i.e. state's share in central taxes and grants-in-aid from the central government.
- **Devolution:** In 2020-21, receipts from the state's share in central taxes is estimated to decrease by 7.5% over the revised estimate of 2019-20. In 2019-20, devolution is estimated to decrease by 22.3% to Rs 30,919 crore as compared to the budgeted estimate. This may be due to a 19% cut in the Union Budget for devolution to states, from Rs 8,09,133 crore at the budgeted stage to Rs 6,56,046 crore at the revised stage. Annexure 2 outlines the major recommendations of the 15th Finance Commission for the year 2020-21, particularly the revised share of Karnataka and the other states in central government's tax revenue.

Table 5: Break up of state government receipts (in Rs crore)

Items	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 2019-20 to RE 2019-20	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21
State's Own Tax*	96,830	1,01,744	1,01,740	0.0%	1,11,991	10.1%
State's Own Non-Tax	6,773	8,055	7,508	-6.8%	7,767	3.5%
Share in Central Taxes	35,895	39,806	30,919	-22.3%	28,591	-7.5%
Grants from Centre*	25,481	32,257	37,089	15.0%	31,570	-14.9%
Revenue Receipts	1,64,979	1,81,863	1,77,255	-2.5%	1,79,920	1.5%
Borrowings	41,914	48,601	48,490	-0.2%	52,918	9.1%
Other receipts	26	275	343	24.7%	297	-13.4%
Capital Receipts	41,940	48,875	48,833	-0.1%	53,214	9.0%
Total Receipts	2,06,918	2,30,738	2,26,088	-2.0%	2,33,134	3.1%

Note: *State's Own Tax and Grants from Centre figures have been adjusted to account for GST compensation grants as Grants from Centre.
Sources: Karnataka Budget Documents 2020-21 (Annual Financial Statement, Detailed Receipts); PRS.

- **Own tax revenue:** Total own tax revenue of Karnataka is estimated to be Rs 1,11,991 crore in 2020-21 (62% of the revenue receipts). This is 10.1% higher than the revised estimate of 2019-20. The own tax to GSDP ratio is targeted at 6.2% in 2020-21, which is marginally higher than the revised estimate of 6% in 2019-20. This implies that growth in state's tax collections is expected to be marginally higher than the GSDP growth rate.

Table 6: Major sources of state's own-tax revenue (in Rs crore)

Items	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 2019-20 to RE 2019-20	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21
State GST*	41,956	42,748	42,748	0.0%	47,319	10.7%
State Excise Duty	19,944	20,950	20,950	0.0%	22,700	8.4%
Sales Tax and VAT	14,003	15,149	15,149	0.0%	17,783	17.4%
Stamp Duty and Registration Fees	10,775	11,828	11,828	0.0%	12,655	7.0%
Taxes on Vehicle	6,568	7,100	7,100	0.0%	7,115	0.2%
GST Compensation Grants	10,754	17,249	17,249	0.0%	16,116	-6.6%

Note: *State GST figures have been adjusted to account for GST compensation grants as grants from centre (and not state GST revenue).
Sources: Karnataka Budget Documents 2020-21 (Annual Financial Statement, Detailed Receipts); PRS.

- State Goods and Services Tax (SGST) is the largest component of tax revenue of the state. It is expected to generate Rs 47,319 crore in 2020-21. This is a 10.7% increase over the revised estimate of 2019-20. SGST comprises 26.3% of the revenue receipts estimated for 2020-21.
- In 2020-21, the state is expected to generate Rs 22,700 crore from state excise duty. This is an 8.4% increase from the revised estimate of 2019-20.
- In 2020-21, the state is expected to generate Rs 17,783 crore from sales tax and VAT (17.4% increase from the revised estimate of 2019-20), and Rs 12,655 crore from electricity tax and duty (7% increase from the revised estimate of 2019-20).

GST Compensation: The GST (Compensation to States) Act, 2017 guarantees states compensation for five years (till 2022) for any revenue loss arising due to GST implementation. The Act guarantees states a 14% annual growth on their revenue which was subsumed under GST. If the GST revenue of a state does not match the guaranteed growth, compensation grants are provided to meet the shortfall.

Karnataka has estimated GST compensation grants of Rs 16,116 crore for 2020-21, a 6.6% decrease over the 2019-20 revised estimate. In 2019-20, it expects compensation grants of Rs 17,249 crore, which is 60% higher than the Rs 10,754 crore received in 2018-19. An increase in compensation requirement of the state reflects a further decrease in GST revenue growth rate, as compared to the 14% growth proposed under the Act.

Deficits, Debt, and FRBM Targets for 2020-21

The Karnataka Fiscal Responsibility Act, 2002 provides annual targets to progressively reduce the outstanding debt, fiscal deficit, and revenue deficit of the state government.

Revenue deficit: It is the excess of revenue expenditure over revenue receipts. A revenue deficit implies that the government needs to borrow in order to finance its expenses which do not create capital assets. Once the revenue deficit is accounted for, only then the borrowings can be used for capital investments. A revenue surplus, on the other hand, implies that revenue receipts are expected to be higher than revenue expenditure. It provides surplus funds to the state which can be used for capital investments or repayment of loans. Note that revenue surplus over a long-term period may also indicate inadequate revenue expenditure by the state.

The budget estimates a revenue surplus of Rs 143 crore in 2020-21 (or 0.01% of GSDP). This is lower than the revised estimate of 2019-20 at Rs 285 crore (or 0.02% of GSDP). This implies that the state has met the 14th Finance Commission's recommendation of eliminating revenue deficit. The 15th Finance Commission has not suggested any revenue deficit grants for the state since it has been consistently witnessing a revenue surplus.

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings by the government, and leads to an increase in total debt. In 2020-21, fiscal deficit is estimated to be Rs 46,072 crore, which is 2.55% of GSDP. The estimate is within the 3% limit recommended by the 14th Finance Commission. In 2019-20, fiscal deficit is estimated to be Rs 38,752 crore (2.28% of GSDP), which is 1% higher than the fiscal deficit of Rs 38,442 crore in 2018-19 (2.73% of GSDP).

Outstanding debt: Outstanding debt is the accumulation of borrowings taken by the state government over the years. At the end of the year 2020-21, the state's outstanding debt is expected to be 19.5% of GSDP. This is lower than the limit of 20% of GDP suggested by the FRBM Review Committee (2017) for the cumulative debt of all states.

Debt Servicing: In 2020-21, Karnataka is expected to spend Rs 33,822 crore on servicing its debt. This is 17% higher than the revised estimate for 2019-20. This includes Rs 11,605 crore towards repayment of loans, and Rs 22,216 crore towards interest payments.

Table 7: Budget targets for deficits for Karnataka in 2020-21 (% of GSDP)

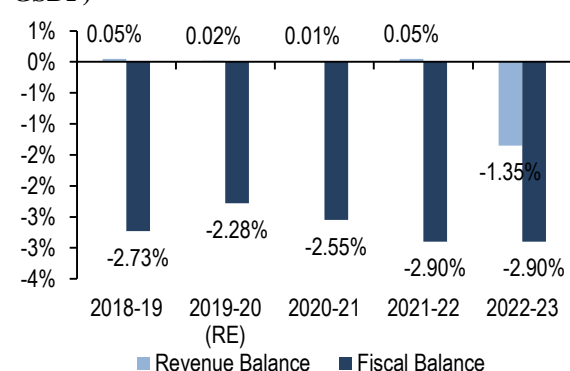
Year	Revenue Deficit (-)/Surplus (+)	Fiscal Deficit (-)/Surplus (+)	Outstanding Debt
2018-19 (Actuals)	0.05%	-2.73%	19.2%
2019-20 (RE)	0.02%	-2.28%	18.2%
2020-21	0.01%	-2.55%	19.5%
2021-22	0.05%	-2.90%	20.4%
2022-23	-1.35%	-2.90%	21.0%

Note: Figures for 2020-21, 2021-22, and 2022-23 are budget targets.

Sources: Karnataka Budget Documents 2020-21 (MTFP Statement); PRS.

Figures 2 and 3 show the trend in deficits and outstanding debt of the state from 2018-19 to 2022-23.

Figure 2: Revenue and fiscal balance (as % of GSDP)

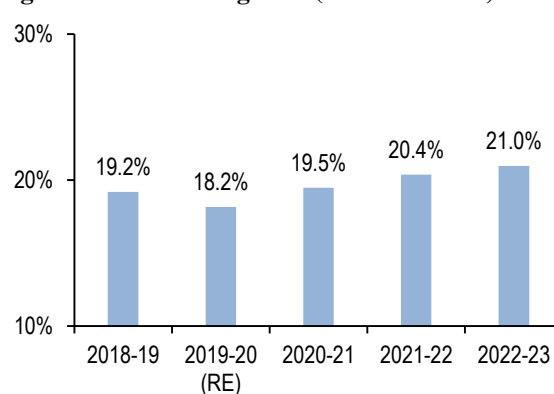


Note: Figures for 2020-21, 2021-22, and 2022-23 are budget targets.

Negative sign indicates deficit and positive sign indicates surplus.

Sources: Karnataka Budget Documents 2020-21; PRS.

Figure 3: Outstanding debt (as % of GSDP)



Note: Figures for 2020-21, 2021-22, and 2022-23 are budget targets.

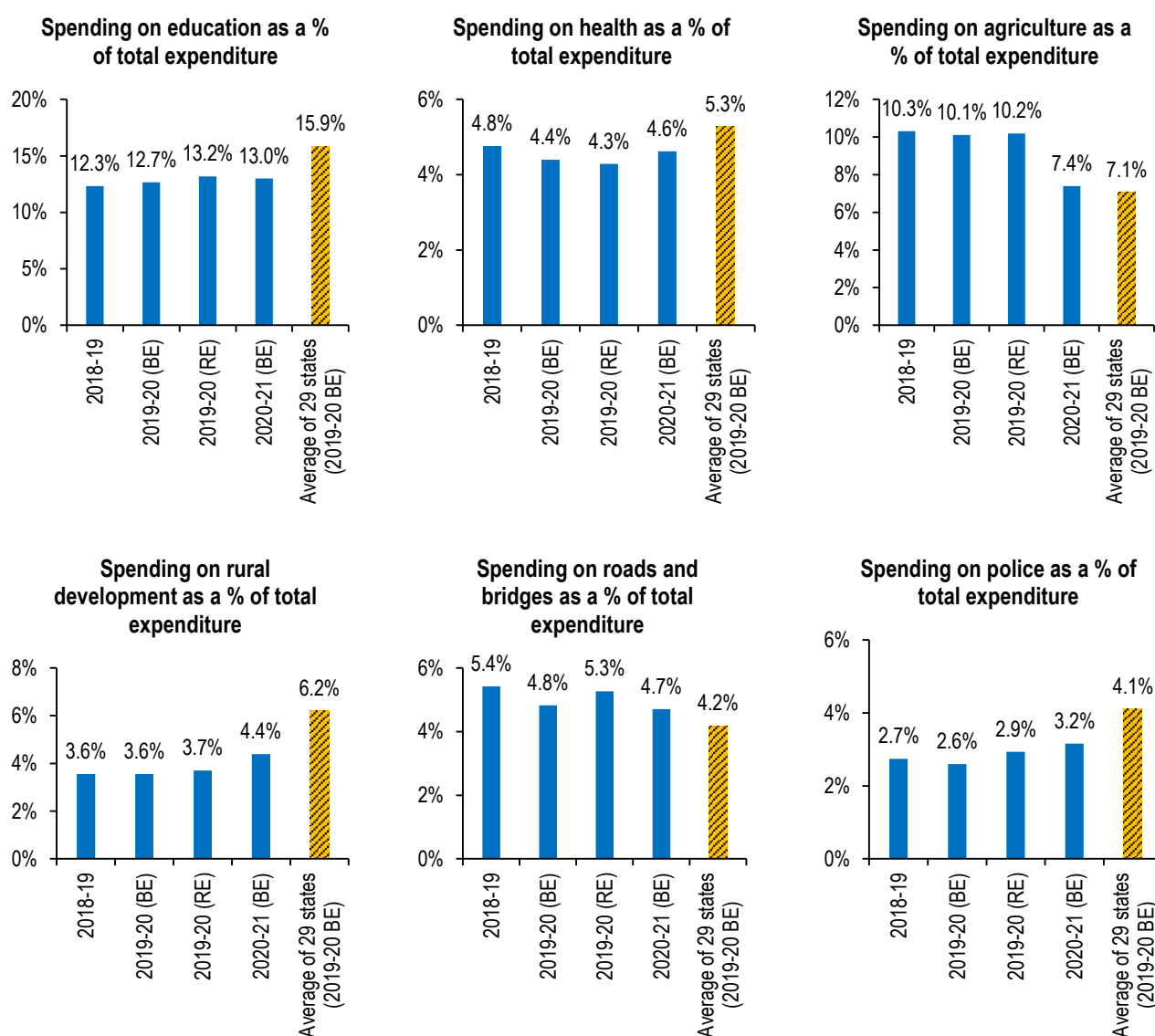
Sources: Karnataka Budget Documents 2020-21; PRS.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research ("PRS"). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectiveness or opinions of those who may receive it.

Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Karnataka's expenditure on six key sectors as a proportion of its total spending on all sectors. The average for a sector indicates the average expenditure in that sector by 29 states as per their budget estimates of 2019-20.*

- **Education:** Karnataka has allocated 13% of its expenditure for education in 2020-21. This is lower than the average expenditure (15.9%) allocated for education by states (using 2019-20 BE).
- **Health:** Karnataka has allocated 4.6% of its expenditure for health in 2020-21, which is lower than the average allocation for health by states (5.3%).
- **Agriculture and allied activities:** The state has allocated 7.4% of its expenditure towards agriculture and allied activities in 2020-21. This is marginally higher than the average allocation by states (7.1%).
- **Rural development:** Karnataka has allocated 4.4% of its expenditure for rural development in 2020-21. This is significantly lower than the average allocation for rural development by states (6.2%).
- **Roads and bridges:** Karnataka has allocated 4.7% of its expenditure for roads and bridges in 2020-21, which is higher than the average allocation for roads and bridges by states (4.2%).
- **Police:** Karnataka has allocated 3.2% of its expenditure for police in 2020-21, which is lower than the average allocation for police by states (4.1%).



Sources: State Budget Documents 2019-20 and 2020-21 (Annual Financial Statement); PRS.

* 29 states include all states except Manipur. It also includes the Union Territory of Delhi and the erstwhile state of Jammu and Kashmir.

Annexure 2: 15th Finance Commission's recommendations for 2020-21

The 15th Finance Commission's (15th FC) report for the financial year 2020-21 was tabled in Parliament on February 1, 2020. The 15th FC recommended a 41% share for states in the central government's tax revenue in 2020-21, a 1% decrease from the 42% share recommended by the 14th FC (2015-20). The 1% decrease is to provide funds to the newly formed union territories of Jammu and Kashmir, and Ladakh from the share of the central government. The 15th FC also proposed revised criteria for determining the share of individual states.

Table 8 shows the share of states in the central government's tax revenue[†], as per the recommendations of the 14th FC for 2015-20 and the 15th FC for 2020-21. The 15th FC has recommended a 1.49% share for the state in the centre's tax revenue for 2020-21 (25% lower than the share recommended by the 14th FC for 2015-20). This implies that out of every Rs 100 of centre's tax revenue in 2020-21, Karnataka will receive Rs 1.49. Table 8 also shows the estimated devolution to states by the centre for 2019-20 and 2020-21 (in Rs crore).

Table 8: Share of states in centre's tax revenue under the 14th and 15th Finance Commissions (2020-21)

State	Share of states in centre's tax revenue			Devolution to states by the centre		
	14 th FC (2015-20)	15 th FC (2020-21)	% change	2019-20 RE	2020-21 BE	% change
Andhra Pradesh	1.81	1.69	-7%	28,242	32,238	14%
Arunachal Pradesh	0.58	0.72	24%	8,988	13,802	54%
Assam	1.39	1.28	-8%	21,721	24,553	13%
Bihar	4.06	4.13	2%	63,406	78,896	24%
Chhattisgarh	1.29	1.4	9%	20,206	26,803	33%
Goa	0.16	0.16	0%	2,480	3,027	22%
Gujarat	1.3	1.39	7%	20,232	26,646	32%
Haryana	0.46	0.44	-4%	7,112	8,485	19%
Himachal Pradesh	0.3	0.33	10%	4,678	6,266	34%
Jammu and Kashmir	0.78	-	-	12,171	-	-
Jharkhand	1.32	1.36	3%	20,593	25,980	26%
Karnataka	1.98	1.49	-25%	30,919	28,591	-8%
Kerala	1.05	0.8	-24%	16,401	15,237	-7%
Madhya Pradesh	3.17	3.23	2%	49,518	61,841	25%
Maharashtra	2.32	2.52	9%	36,220	48,109	33%
Manipur	0.26	0.29	12%	4,048	5,630	39%
Meghalaya	0.27	0.31	15%	4,212	5,999	42%
Mizoram	0.19	0.21	11%	3,018	3,968	31%
Nagaland	0.21	0.23	10%	3,267	4,493	38%
Odisha	1.95	1.9	-3%	30,453	36,300	19%
Punjab	0.66	0.73	11%	10,346	14,021	36%
Rajasthan	2.31	2.45	6%	36,049	46,886	30%
Sikkim	0.15	0.16	7%	2,408	3,043	26%
Tamil Nadu	1.69	1.72	2%	26,392	32,849	24%
Telangana	1.02	0.87	-15%	15,988	16,727	5%
Tripura	0.27	0.29	7%	4,212	5,560	32%
Uttar Pradesh	7.54	7.35	-3%	1,17,818	1,40,611	19%
Uttarakhand	0.44	0.45	2%	6,902	8,657	25%
West Bengal	3.08	3.08	0%	48,048	58,963	23%
Total	42	41	-2%	6,56,046	7,84,181	20%

Sources: Reports of 14th and 15th Finance Commissions (2020-21); Union Budget Documents 2020-21; PRS.

In addition, the 15th FC has also recommended certain grants-in-aid for various purposes for the year 2020-21. These include: (i) Rs 74,341 crore as grants to states for eliminating revenue deficit, of which Karnataka will receive none, and (ii) Rs 90,000 crore as grants to local bodies, of which Karnataka will receive Rs 4,766 crore (this consists of Rs 3,217 crore for rural local bodies and Rs 1,549 crore for urban local bodies).

[†] This excludes the cess and surcharge revenue of the central government as it is outside the divisible pool and not shared with states. As per the 2019-20 union budget, cess and surcharge revenue account for 15% of the estimated gross tax revenue of the central government.