

Bihar Budget Analysis 2026-27

The Finance Minister of Bihar, Mr Bijendra Prasad Yadav, presented the Budget for the state for the financial year 2026-27 on February 3, 2026.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Bihar for 2026-27 (at current prices) is projected to be Rs 13.1 lakh crore, amounting to growth of 15% over 2025-26. The Union budget has assumed 10% growth for the country in 2026-27.
- **Expenditure (excluding debt repayment)** in 2026-27 is estimated to be Rs 3,24,925 crore, a decrease of 19% from the revised estimates of 2025-26 (Rs 4,00,465 crore). In addition, debt of Rs 22,665 crore will be repaid by the state. In 2025-26, as per revised estimates, expenditure (excluding debt repayment) is estimated to be 36% higher than the budget estimate (Rs 2,94,075 crore).
- **Receipts (excluding borrowings)** for 2026-27 are estimated to be Rs 2,85,813 crore, an increase of 7% over the revised estimate of 2025-26. In 2025-26, receipts are estimated to be 2% higher than budgeted.
- **Revenue surplus** in 2026-27 is estimated to be 0.1% of GSDP (Rs 1,143 crore), as compared to a revenue deficit of 6.7% of GSDP (Rs 76,315 crore) in 2025-26 as per the revised estimates. In 2025-26, revenue surplus of Rs 8,831 crore was estimated at the budget stage (0.8% of GSDP).
- **Fiscal deficit** for 2026-27 is targeted at 3% of GSDP (Rs 39,112 crore). In 2025-26, as per revised estimates, fiscal deficit is expected to be 11.8% of GSDP, significantly higher than the budget estimate (3% of GSDP).

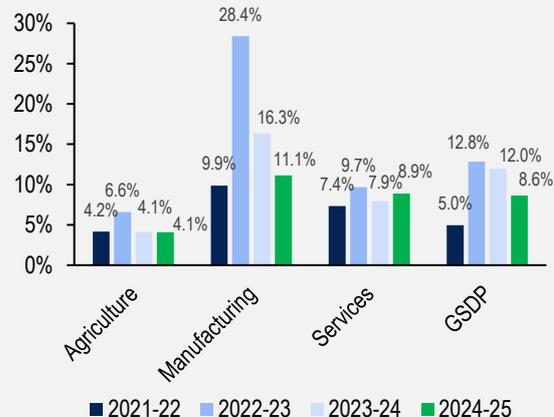
Policy Highlights

- **Saat Nishchay-3:** The government will implement Saat Nishchay-3 roadmap between 2025 and 2030. Key targets include doubling per capita income, accelerating industrialisation, increasing farmer income, improving education and medical services, new planned cities, and improving ease of living.
- **Income support to farmers:** The state government will launch Jannayak Karpoori Thakur Kisan Samman Nidhi. This state scheme will provide farmers with Rs 3,000 per year. This will be in addition to Rs 6,000 per year given under the central government’s PM Kisan Samman Nidhi.
- **Industrial hubs:** Phase-2 of the Industrial Manufacturing Cluster (IMC) will be developed in Gaya, as part of the Amritsar-Kolkata Industrial Corridor project. A defence corridor, a pharmaceutical park, and a fintech city will also be developed.
- **Transport:** Five new expressways will be built. Public buses will be converted to CNG and electric buses. More than 2,000 public charging stations will be established.

Bihar’s Economy

- **GSDP:** In 2024-25, Bihar’s GSDP (at constant prices) is estimated to grow by 8.6% over the previous year. In comparison, India’s GDP is estimated to grow by 6.5% in 2024-25.
- **Sectors:** In 2024-25, agriculture, manufacturing, and services sectors are estimated to contribute 23%, 23%, and 54% of Bihar’s economy, respectively (at current prices).
- **Per capita GSDP:** In 2024-25, Bihar’s per capita GSDP (at current prices) is estimated to be Rs 76,490, an increase of 13% over the previous year. India’s per capita GDP is estimated to be Rs 2,34,859 in 2024-25, an increase of 9% over the previous year.

Figure 1: Growth in Bihar’s GSDP at constant prices (2011-12)



Note: These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation. Sources: MoSPI; PRS.

Budget Estimates for 2026-27

- **Total expenditure (excluding debt repayment)** in 2026-27 is targeted at Rs 3,24,925 crore. This is an annualised increase of 12% over 2024-25. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 2,85,813 crore and net borrowings of Rs 39,275 crore. Total receipts for 2026-27 (other than borrowings) are estimated to register an annualised increase of 14% over 2024-25.
- The state estimates a **revenue surplus** of 0.1% of GSDP (Rs 1,143 crore) in 2026-27. In comparison, as per the actuals, the state observed a revenue deficit of 0.04% of GSDP in 2024-25.
- **Fiscal deficit** for 2026-27 is targeted at 3% of GSDP (Rs 39,112 crore). This is lower than the actuals for 2024-25 (4.2% of GSDP). The revised estimate for 2025-26 (11.8% of GSDP) is significantly higher than the permitted fiscal deficit limit (3.5% of GSDP, excluding central capex loans).

Variations between Revised Estimates and Actuals

Revised estimate for expenditure has been significantly higher than budgeted amount for last few years. However, actual figures that are released later are significantly lower than the revised estimates (Table 1). We have therefore used annualised increase over two years for our analysis in this document.

Table 1: Total expenditure (excluding debt repayment) — estimates and actuals (Rs crore)

Year	Budget Estimate	Revised Estimate	Actual
2022-23	2,23,021	2,70,849	2,17,553
2023-24	2,38,327	2,91,392	2,29,103
2024-25	2,56,333	3,27,425	2,59,996
2025-26	2,94,075	4,00,465	-

Source: Bihar Budget Documents of various years; PRS.

Table 2: Budget 2026-27 - Key figures (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change (25-26 BE to 25-26 RE)	2026-27 Budgeted	% change (25-26 RE to 26-27 BE)	Annualised change from 24-25 to 26-27
Total Expenditure	2,81,939	3,16,895	4,23,284	34%	3,47,590	-18%	11%
(-) Repayment of debt	21,944	22,820	22,820	0%	22,665	-1%	2%
Net Expenditure (E)	2,59,996	2,94,075	4,00,465	36%	3,24,925	-19%	12%
Total Receipts	2,84,822	3,17,095	3,29,831	4%	3,47,753	5%	10%
(-) Borrowings	66,049	55,738	63,738	14%	61,939	-3%	-3%
of which central capex loans*	14,791	0	8,000	-	0	-100%	-100%
Net Receipts (R)	2,18,773	2,61,357	2,66,093	2%	2,85,813	7%	14%
Fiscal Deficit (E-R)	41,222	32,718	1,34,371	311%	39,112	-71%	-3%
as % of GSDP	4.2%	3.0%	11.8%	-	3.0%	-	-
Revenue Balance**	-357	8,831	-76,315	-964%	1,143	-101%	-
as % of GSDP	-0.04%	0.8%	-6.7%	-	0.1%	-	-
Primary Deficit	21,544	9,704	1,11,357	1047%	13,748	-88%	-20%
as % of GSDP	2.2%	0.9%	9.8%	-	1.1%	-	-
GSDP	9,91,997	10,97,264	11,39,595	4%	13,09,155	15%	15%

Note: BE is Budget Estimates; RE is Revised Estimates. *Central government has been providing 50-year interest-free loans to state governments for capital expenditure since 2020-21. These loans are excluded from the calculation of the state's borrowing ceiling.

** (+) indicates a surplus and (-) indicates a deficit.

Sources: Budget at a Glance, Annual Financial Statement, Bihar Budget Documents 2026-27; PRS.

Expenditure in 2026-27

- **Revenue expenditure** for 2026-27 is proposed to be Rs 2,84,134 crore, an annualised increase of 14% over 2024-25. This includes the expenditure on salaries, pension, interest, grants, and subsidies.
- In 2025-26, revised estimate for revenue expenditure is 36% higher than the budget estimate. This is driven by increased allocation for heads such as power subsidy, social security pensions, and cash transfer to women under the Mukhyamantri Mahila Rojgar Yojana.
- **Capital outlay** for 2026-27 is proposed to be Rs 39,377 crore, roughly same as the actuals for 2024-25 (Rs 38,527 crore). Capital outlay indicates the expenditure towards creation of assets. In 2025-26, capital outlay is estimated to be 37% higher than the initial budget estimate (Rs 15,179 crore higher). Sectors with a higher estimate include transport (Rs 2,901 crore higher) and rural development (Rs 2,450 crore higher).

Mukhyamantri Mahila Rojgar Yojana

The Mukhyamantri Mahila Rojgar Yojana was launched in September 2025. The Scheme aims to provide self-employment and livelihood opportunities to women. Under the scheme, financial support is being provided to one woman from each family. An initial grant of Rs 10,000 has been provided to 1.56 crore women. Financial support of up to two lakh rupees may be provided upon starting an enterprise.

Table 3: Expenditure budget 2026-27 (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change (25-26 BE to 25-26 RE)	2026-27 Budgeted	% change (25-26 RE to 26-27 BE)	Annualised change from 24-25 to 26-27
Revenue Expenditure	2,19,015	2,52,000	3,41,883	36%	2,84,134	-17%	14%
Capital Outlay	38,527	40,532	55,711	37%	39,377	-29%	1%
Loans given by the state	2,453	1,543	2,870	86%	1,414	-51%	-24%
Net Expenditure	2,59,996	2,94,075	4,00,465	36%	3,24,925	-19%	12%

Sources: Annual Financial Statement, Bihar Budget Documents 2026-27; PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure on 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 other expenditure priorities, such as capital outlay. In 2026-27, Bihar is estimated to spend Rs 1,33,494 crore on committed expenditure items, which is 47% of its estimated revenue receipts. This comprises spending on salaries (26% of revenue receipts), pension (12%), and interest payments (9%). In 2024-25, committed expenditure constituted 39% of revenue receipts. Expenditure on salaries in 2026-27 is estimated to increase at an annualised rate of 38% over 2024-25. Expenditure on salaries by the Education Department is estimated to increase from Rs 14,561 crore in 2024-25 to Rs 36,658 crore in 2026-27.

Table 4: Committed Expenditure in 2026-27 (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change (25-26 BE to 25-26 RE)	2026-27 Budgeted	% change (25-26 RE to 26-27 BE)	Annualised change from 24-25 to 26-27
Salaries	38,466	51,690	66,784	29%	72,960	9%	38%
Pension	26,140	33,389	33,391	0%	35,170	5%	16%
Interest payment	19,678	23,014	23,014	0%	25,364	10%	14%
Total	84,283	1,08,094	1,23,188	14%	1,33,494	8%	26%

Sources: Budget at a Glance, Annual Financial Statement, Bihar Budget Documents 2026-27; PRS.

Sector-wise expenditure: The sectors listed below account for 69% of the total expenditure on sectors by the state in 2026-27. A comparison of Bihar's expenditure on key sectors with other states is shown in Annexure 1.

Table 5: Sector-wise expenditure under Bihar Budget 2026-27 (in Rs crore)

Sector	2024-25 Actuals	2025-26 BE	2025-26 RE	2026-27 BE	% change (25-26 RE to 26-27 BE)	Annualised change from 24-25 to 26-27	Budget Provisions 2026-27 BE
Education, Sports, Arts, and Culture	57,139	63,335	91,254	70,141	-23%	11%	Rs 12,107 crore has been allocated towards Samagra Shiksha Abhiyan.
Rural Development	23,151	30,150	35,521	30,387	-14%	15%	MGNREGS has been allocated Rs 3,192 crore, and VB-G-RAM-G Rs 1,890 crore.
Social Welfare and Nutrition	15,862	15,012	51,374	24,710	-52%	25%	Rs 9,052 crore has been allocated towards 'Mahila Sashaktikaran' (Rs 21,050 crore in 2025-26 as per revised estimates).
Health and Family Welfare	15,013	19,184	21,150	20,230	-4%	16%	Rs 1,495 crore has been allocated towards the PM-ABHIM scheme.
Energy	20,262	13,401	23,535	18,649	-21%	-4%	Rs 15,702 crore has been allocated towards subsidy for affordable power.
Police	11,824	14,653	15,495	16,840	9%	19%	Rs 9,455 crore has been allocated towards the district police.
Urban Development	8,514	10,928	14,742	14,050	-5%	29%	Rs 2,842 crore has been allocated towards the PM Awas Yojana-Urban.
Transport	13,035	9,297	13,181	10,178	-23%	-12%	Rs 5,034 crore has been allocated for capital outlay on road and bridges.
Agriculture and Allied Activities	6,251	8,039	10,315	8,463	-18%	16%	Sub-mission on Agricultural Mechanisation has been allocated Rs 176 crore.
Irrigation and Flood Control	6,594	9,238	11,284	8,422	-25%	13%	Rs 5,814 crore has been allocated towards capital outlay on irrigation and flood control.
% of total expenditure on all sectors	69%	66%	72%	69%			

Sources: Annual Financial Statement, Bihar Budget Documents 2026-27; PRS.

Receipts in 2026-27

- **Total revenue receipts** for 2026-27 are estimated to be Rs 2,85,277 crore, an annualised increase of 14% over 2024-25. Of this, Rs 75,203 crore (26%) will be raised by the state through its **own resources**, and Rs 2,10,074 crore (74%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (55% of revenue receipts) and grants (18% of revenue receipts).
- **Devolution:** In 2026-27, the state's share in central taxes is estimated at Rs 1,58,178 crore, an annualised increase of 11% over 2024-25.
- **Grants from the centre** in 2026-27 are estimated at Rs 51,896 crore, an annualised increase of 32% over 2024-25. This is mainly driven by an increase anticipated in grants for centrally sponsored schemes (CSS). Grants for CSS are estimated to be Rs 44,003 crore in 2026-27. In 2024-25, as per actuals, grants for CSS were Rs 21,217 crore, 53% lower than the budget estimate for that year (Rs 45,370 crore).
- **State's own tax revenue:** Bihar's total own tax revenue is estimated to be Rs 65,800 crore in 2026-27, an annualised increase of 11% over 2024-25. Own tax revenue as a percentage of GSDP is estimated at 5% in 2026-27, lower than the revised estimates for 2025-26 (5.2%) and actuals for 2024-25 (5.4%).

Table 6: Break-up of the state government's receipts (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change (25-26 BE to 25-26 RE)	2026-27 Budgeted	% change (25-26 RE to 26-27 BE)	Annualised change from 24-25 to 26-27
State's Own Tax	53,578	59,520	59,520	0%	65,800	11%	11%
State's Own Non-Tax	5,781	8,221	8,221	0%	9,403	14%	28%
Share in Central Taxes	1,29,435	1,38,516	1,43,069	3%	1,58,178	11%	11%
Grants-in-aid from Centre	29,863	54,575	54,758	0.3%	51,896	-5%	32%
Revenue Receipts	2,18,658	2,60,831	2,65,568	2%	2,85,277	7%	14%
Non-debt Capital Receipts	115	525	525	0%	536	2%	116%
Net Receipts	2,18,773	2,61,357	2,66,093	1.8%	2,85,813	7%	14%

Note: BE is Budget Estimates; RE is Revised Estimates.

Sources: Annual Financial Statement, Bihar Budget Documents 2026-27; PRS.

- In 2026-27, **State GST** is estimated to be the largest source of own tax revenue (58% share). State GST revenue is estimated to register an annualised increase of 14% over 2024-25.
- Revenue from Sales tax/VAT in 2026-27 is estimated to grow at an annualised rate of 1% over 2024-25.
- Revenue from taxes and duties on electricity in 2026-27 is estimated to be Rs 950 crore, lower than 2024-25 (Rs 1,570 crore).
- In 2025-26, revised estimates for own tax revenue sources are same as the budget estimates. This implies that the government expects to meet its budget targets. In 2024-25, actual SGST revenue was 8% lower than the budget estimate (Table 12 on Page 9).

Low revenue raised by local bodies

The rural and urban local bodies may be empowered to collect their own sources of revenue (OSR). However, the 16th Finance Commission noted these local bodies depend heavily on grants given by the central and state governments. In Bihar, OSR of rural local bodies was 0.03% of agricultural GDP, significantly lower than states such as Kerala (2.38%) and Maharashtra (1.21%). Similarly, OSR of urban local bodies of Bihar was 0.09% of non-agricultural GDP. This was also significantly lower than states such as Maharashtra (1.4%) and Gujarat (0.84%). The Commission noted that local bodies fail to tap into their own revenue streams due to lack of clear administrative provisions, capacity constraints, and weak enforcement mechanisms.

Source: Report of the 16th Finance Commission Volume-I; PRS.

Table 7: Major sources of state's own-tax revenue (in Rs crore)

Head	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change (25-26 BE to 25-26 RE)	2026-27 Budgeted	% change (25-26 RE to 26-27 BE)	Annualised change from 24-25 to 26-27
State GST	29,003	34,009	34,009	0%	38,000	12%	14%
Sales Tax/ VAT	10,554	11,200	11,200	0%	10,775	-4%	1%
Stamps Duty and Registration Fees	7,976	8,250	8,250	0%	10,000	21%	12%
Taxes on Vehicles	3,678	4,070	4,070	0%	5,000	23%	17%
Taxes and Duties on Electricity	1,570	1,016	1,016	0%	950	-6%	-22%
Land Revenue	571	700	700	0%	800	14%	18%

Sources: Annual Financial Statement, Bihar Budget Documents 2026-27; PRS.

Deficits, Debt, and FRBM Targets for 2026-27

The Bihar Fiscal Responsibility and Budget Management Act, 2006 provides annual targets to progressively reduce the outstanding debt, revenue deficit and fiscal deficit of the state government.

Revenue balance: It is the difference of revenue receipts and revenue expenditure. A revenue deficit implies that the government needs to borrow to finance those expenses which do not increase its assets or reduces its liabilities. The budget estimates a revenue surplus of Rs 1,143 crore (or 0.1% of the GSDP) in 2026-27. Bihar recorded a revenue deficit in 2024-25 (0.04% of GSDP).

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 liabilities. In 2026-27, fiscal deficit is estimated at 3% of GSDP. The 16th Finance Commission has recommended the annual fiscal deficit limit for states to be 3% of GSDP for the 2026-31 period. 50-year interest free loans for capital expenditure given by the central government will be excluded to arrive at the borrowing ceiling. In 2024-25, fiscal deficit was 4.2% of GSDP. Excluding central capex loans, fiscal deficit in 2024-25 was 2.7% of GSDP.

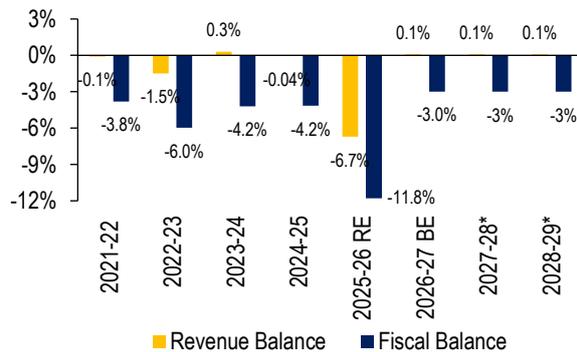
Outstanding liabilities: Outstanding liabilities is the accumulation of total borrowings at the end of a financial year. It also includes any liabilities on public accounts such as provident funds. At the end of 2026-27, the outstanding debt is estimated to be 34% of GSDP. The 16th Finance Commission noted that Bihar has relatively higher debt to GDP ratio among larger states. It also observed that, given the state’s dependence on central transfers and its limited capacity to mobilise own revenue sources, Bihar’s debt level is a matter of concern.

Regional disparities in economic development

Bihar’s per capita GDP was Rs 68,624 in 2023-24, the lowest in the country among all states. Per capita GDP at all-India level was Rs 2,15,935. Per capita GDP also varies widely across districts. In 2023-24, Patna recorded the highest per capita GDP (Rs 2,41,220), followed by Begusarai (Rs 1,05,600). Per capita GDP in all other districts was below one lakh rupees in 2023-24. In 11 districts, per capita GDP in 2023-24 was lower than Rs 50,000. Sheohar and Araria recorded the lowest per capita GDP, Rs 38,214 and Rs 44,134, respectively.

Source: Advance estimates of GDP for 2025-26, National Accounts, MoSPI; Bihar Economic Survey 2025-26; PRS.

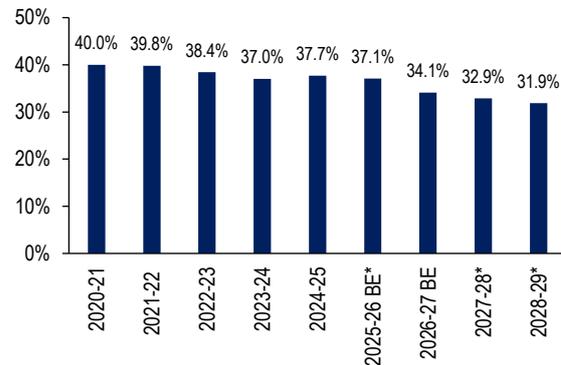
Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: *Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is budget estimates. (+) indicates a surplus and (-) indicates a deficit.

Sources: Budget at a Glance, Medium Term Fiscal Policy, Bihar Budget Documents 2026-27; PRS.

Figure 3: Outstanding liabilities (as % of GSDP)



Note: *Figures from 2027-28 onwards are projections. BE is budget estimates. RE figure for 2025-26 is not available hence BE.

Sources: Budget at a Glance, Medium Term Fiscal Policy, Bihar Budget Documents 2026-27; PRS.

Outstanding Government Guarantees: Outstanding liabilities do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 2026, the state’s outstanding guarantee is estimated to be Rs 32,008 crore, which is about 2.4% of Bihar’s GSDP.

Delay in submission of utilisation certificates

CAG (2025) noted that as of March 2024, 49,649 utilisation certificates (UCs) were yet to be received, amounting to Rs 70,878 crore. Utilisation certificates are required to be submitted to the Accountant General (Accounts & Entitlements) within a stipulated period. CAG observed that in the absence of these certificates, there is no assurance that funds disbursed have been used for the intended purposes. It further observed that high pendency of certificates increases the risk of misappropriation and diversion of funds.

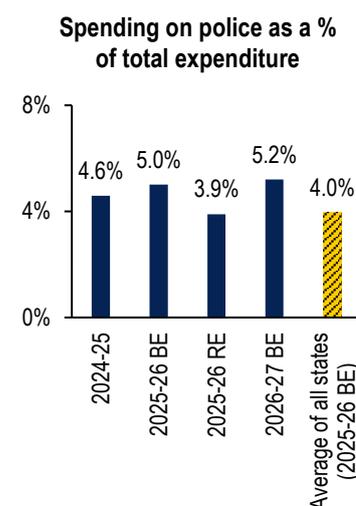
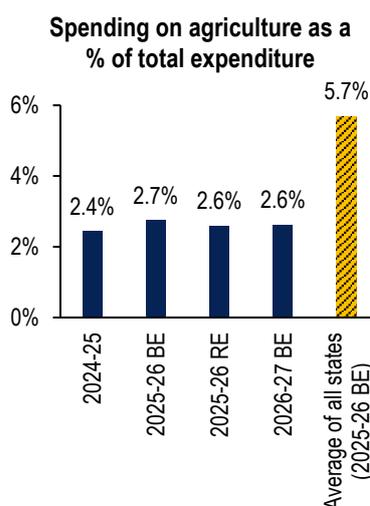
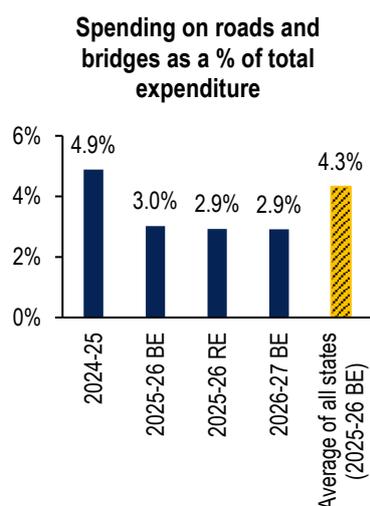
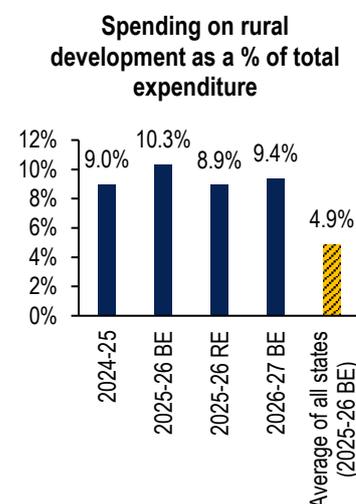
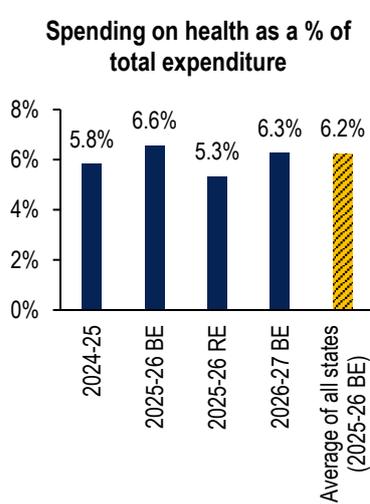
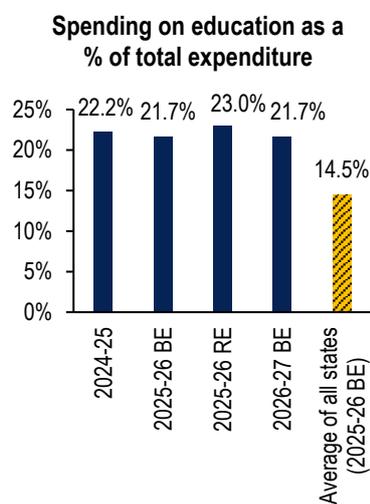
Source: Report No. 1 of 2025, State Finances Audit Report for the year 2023-24, CAG; PRS.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Bihar's expenditure in 2026-27 on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 31 states and UTs (including Bihar) as per their budget estimates of 2025-26.¹

- **Education:** Bihar has allocated 21.7% of its expenditure on education in 2026-27. This is significantly higher than the average allocation for education by states in 2025-26 (14.5%).
- **Health:** Bihar has allocated 6.3% of its expenditure on health in 2026-27. This is marginally higher than the average allocation for health by states in 2025-26 (6.2%).
- **Rural development:** Bihar has allocated 9.4% of its expenditure on rural development in 2026-27. This is significantly higher than the average allocation for rural development by states in 2025-26 (4.9%).
- **Roads and bridges:** Bihar has allocated 2.9% of its expenditure on roads and bridges in 2026-27. This is lower than the average allocation for roads and bridges by states in 2025-26 (4.3%).
- **Agriculture:** Bihar has allocated 2.6% of its expenditure on agriculture in 2026-27. This is significantly lower than the average allocation for agriculture by states in 2025-26 (5.7%).
- **Police:** Bihar has allocated 5.2% of its expenditure on police in 2026-27. This is higher than the average allocation for police by states in 2025-26 (4.0%).



Note: 2024-25, 2025-26 (BE), 2025-26 (RE), and 2026-27 (BE) figures are for Bihar.
Sources: Annual Financial Statement, Bihar Budget Documents 2026-27; various state budgets; PRS.

¹ The 31 states include the Union Territories of Delhi, Jammu and Kashmir, and Puducherry.

Annexure 2: Recommendations of the 16th Finance Commission for 2026-31

The Report of the 16th Finance Commission (Chair: Dr. Arvind Panagariya) was tabled in Parliament on February 1, 2026. The recommendations will apply for the five-year period between 2026-27 and 2030-31. The 16th Commission (FC) has recommended the share of states in the divisible pool of central taxes at 41%. The share remains unchanged from the 15th Finance Commission award period (2020-26). Divisible pool is arrived at after excluding cost of collection and cesses and surcharges from the gross tax revenue collected by the central government. The 16th FC has proposed a revised criteria to determine the share of individual states. See [here](#) for a PRS summary of the 16th Finance Commission Report. Based on the recommendations of the 16th FC, Bihar will have a 9.95% share in the divisible pool of central taxes for the 2026-31 period.

The 16th FC has recommended grants worth Rs 9.47 lakh crore over the five-year period. These comprise grants for: (i) urban and rural local bodies, and (ii) disaster management. It has discontinued the following grants recommended by the 15th FC: (i) revenue deficit grants, (ii) sector-specific grants, and (iii) state-specific grants. Grants recommended for Bihar over the 2026-31 period include: (i) Rs 9,169 crore for urban local bodies, (ii) Rs 51,923 crore for rural local bodies, and (iii) Rs 13,615 crore as disaster management grants. In addition, Patna will be eligible for a special infrastructure grant for development of wastewater management system (up to Rs 5,000 crore). States will also receive a one-time grant for merger of peri-urban villages into adjoining larger urban local body with population of one lakh or above.

Table 8: Individual share of states in the taxes devolved by the centre (out of 100)

State	14 th FC (2015-2020)	15 th FC (2021-26)	16 th FC (2026-31)
Andhra Pradesh	4.31	4.05	4.22
Arunachal Pradesh	1.37	1.76	1.35
Assam	3.31	3.13	3.26
Bihar	9.67	10.06	9.95
Chhattisgarh	3.08	3.41	3.30
Goa	0.38	0.39	0.37
Gujarat	3.08	3.48	3.76
Haryana	1.08	1.09	1.36
Himachal Pradesh	0.71	0.83	0.91
Jammu and Kashmir	1.85	-	-
Jharkhand	3.14	3.31	3.36
Karnataka	4.71	3.65	4.13
Kerala	2.50	1.93	2.38
Madhya Pradesh	7.55	7.85	7.35
Maharashtra	5.52	6.32	6.44
Manipur	0.62	0.72	0.63
Meghalaya	0.64	0.77	0.63
Mizoram	0.46	0.50	0.56
Nagaland	0.50	0.57	0.48
Odisha	4.64	4.53	4.42
Punjab	1.58	1.81	2.00
Rajasthan	5.50	6.03	5.93
Sikkim	0.37	0.39	0.34
Tamil Nadu	4.02	4.08	4.10
Telangana	2.44	2.10	2.17
Tripura	0.64	0.71	0.64
Uttar Pradesh	17.96	17.94	17.62
Uttarakhand	1.05	1.12	1.14
West Bengal	7.32	7.52	7.22

Table 9: State-wise details of grants-in-aid for 2026-31 (in Rs crore)

State	Rural Local Bodies	Urban Local Bodies	Disaster Management
Andhra Pradesh	16,627	12,158	6,125
Arunachal Pradesh	1,698	233	616
Assam	14,580	3,249	5,243
Bihar	51,923	9,169	13,615
Chhattisgarh	11,664	4,990	2,481
Goa	174	726	112
Gujarat	18,802	23,764	8,459
Haryana	8,270	7,834	2,922
Himachal Pradesh	3,744	435	2,682
Jharkhand	14,231	6,093	2,806
Karnataka	18,889	18,483	6,419
Kerala	3,308	16,683	1,935
Madhya Pradesh	32,033	16,016	11,697
Maharashtra	32,817	46,803	29,619
Manipur	1,262	609	259
Meghalaya	1,479	377	437
Mizoram	567	377	284
Nagaland	697	667	408
Odisha	18,715	5,078	8,900
Punjab	8,486	7,834	2,477
Rajasthan	31,467	12,680	9,211
Sikkim	218	203	455
Tamil Nadu	16,930	25,069	8,486
Telangana	9,968	11,548	2,774
Tripura	1,176	1,016	356
Uttar Pradesh	83,261	33,543	15,321
Uttarakhand	4,047	2,497	4,954
West Bengal	28,203	22,023	6,869

Sources: Reports of the 14th, 15th, and 16th Finance Commission; PRS.

Table 10: Taxes devolved to states as per Union Budget 2026-27 (in Rs crore)

State	2024-25 Actuals	2025-26 Revised	2026-27 Budget
Andhra Pradesh	51,564	56,374	64,362
Arunachal Pradesh	22,386	24,475	20,665
Assam	39,855	43,572	49,725
Bihar	1,28,151	1,40,105	1,51,832
Chhattisgarh	43,409	47,459	50,427
Goa	4,918	5,377	5,571
Gujarat	44,314	48,448	57,311
Haryana	13,926	15,225	20,772
Himachal Pradesh	10,575	11,562	13,950
Jharkhand	42,135	46,066	51,236
Karnataka	46,467	50,802	63,050
Kerala	24,527	26,815	36,355
Madhya Pradesh	1,00,019	1,09,348	1,12,134
Maharashtra	80,486	87,994	98,306
Manipur	9,123	9,974	9,554
Meghalaya	9,773	10,684	9,631
Mizoram	6,371	6,965	8,608
Nagaland	7,250	7,926	7,341
Odisha	57,692	63,074	67,460
Punjab	23,023	25,171	30,464
Rajasthan	76,779	83,940	90,446
Sikkim	4,944	5,405	5,113
Tamil Nadu	51,971	56,819	62,531
Telangana	26,782	29,280	33,181
Tripura	9,021	9,862	9,783
Uttar Pradesh	2,28,565	2,49,885	2,68,911
Uttarakhand	14,245	15,573	17,415
West Bengal	95,852	1,04,793	1,10,119
Total	12,74,121	13,92,971	15,26,255

Note: Actuals for 2024-25 and Revised Estimates for 2025-26 have been reported in the Union Budget after adjusting for excess or less devolution in previous years. Sources: Union Budget Documents 2026-27; PRS.

Annexure 3: Comparison of 2024-25 Budget Estimates and Actuals

The following tables compare the actuals of 2024-25 with budget estimates for that year.

Table 11: Overview of Receipts and Expenditure (in Rs crore)

Particular	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Net Receipts (1+2)	2,27,238	2,18,773	-4%
1. Revenue Receipts (a+b+c+d)	2,26,799	2,18,658	-4%
a. Own Tax Revenue	54,300.00	53,578	-1%
b. Own Non-Tax Revenue	7,326	5,781	-21%
c. Share in central taxes	1,13,012.00	1,29,435	15%
d. Grants-in-aid from the Centre	52,161	29,863	-43%
2. Non-Debt Capital Receipts	439.00	115	-74%
3. Borrowings	51,688	66,049	28%
Of which central capex loans	0	14,791	-
Net Expenditure (4+5+6)	2,56,333	2,59,996	1%
4. Revenue Expenditure	2,25,677	2,19,015	-3%
5. Capital Outlay	29,416	38,527	31%
6. Loans and Advances	1,240	2,453	98%
7. Debt Repayment	22,393	21,944	-2%
Revenue Balance*	1,121	-357	-68%
Revenue Balance (as % of GSDP)	0.10%	-0.04%	-
Fiscal Deficit	29,095	41,222	42%
Fiscal Deficit (as % of GSDP)	2.98%	4.20%	-

* (+) indicates a surplus and (-) indicates a deficit.

Source: Bihar Budget Documents of various years; PRS.

Table 12: Key Components of State's Own Tax Revenue (in Rs crore)

Head	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
State GST	31,565	29,003	-8%
Land Revenue	600	571	-5%
Taxes on Vehicles	3,700	3,678	-1%
Sales Tax/ VAT	10,010	10,554	5%
Stamps Duty and Registration Fees	7,500	7,976	6%
Taxes and Duties on Electricity	750	1,570	109%

Source: Bihar Budget Documents of various years; PRS.

Table 13: Allocation towards Key Sectors

Sector	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Agriculture and Allied Activities	7,943	6,251	-21%
Water Supply and Sanitation	3,836	3,019	-21%
Urban Development	10,370	8,514	-18%
Rural Development	27,101	23,151	-15%
Police	13,528	11,824	-13%
Welfare of SC, ST, OBC, and Minorities	3,667	3,399	-7%
Housing	5,317	5,096	-4%
Health and Family Welfare	14,488	15,013	4%
Education, Sports, Arts, and Culture	54,605	57,139	5%
Social Welfare and Nutrition	14,718	15,862	8%
Irrigation and Flood Control	5,388	6,594	22%
Transport	8,151	13,035	60%
of which Roads and Bridges	7,723	12,583	63%
Energy	11,334	20,262	79%

Source: Bihar Budget Documents of various years; PRS.