INTRODUCTION:
The government has multifaceted responsibilities to achieve the objective of maximizing the welfare of the people by providing for education, health, social security and various other facilities indispensable for satisfying physiological and social needs. It has also to make provision for improved infrastructural facilities for the economic growth and development of the nation to make a niche for itself in the global context. To discharge its responsibilities, the government has to play a parental role in the overall development of the society.

In the light of the above discussion, it becomes imperative for the government to raise funds. Because of the multi-dimensional role of the government, the resource requirement is also large. Therefore, the government has to depend on multiple sources for raising the required resources to perform its roles effectively.

The North Eastern region, one of the strategic regions of India, with seven vibrant states, each having distinct social, cultural and economic indicators, needs fruits of development along with the rest of the country. Assam is a Special Category State situated in this region. The State’s Gross Domestic Product (GSDP) at current prices during 2011-12 was Rs. 1,15,408 crore (base year 2004-05). The state government needs more funds to enable development initiatives in the region across diverse sectors. The receipts of the Assam government may be broadly studied under two heads: Revenue Receipts and Capital Receipts.

The present paper is an attempt to study the revenue receipts of the Government of Assam and various matters incidental thereto. Revenue receipts of the Government of Assam includes proceeds of taxes and other duties levied by the Government of Assam, share of central taxes received from the Central Government, interest and dividend on investments made by the government, fees and other receipts for services rendered by the government, non-taxable sources such as government-owned corporations’ incomes and grants-in-aid from the Government of India.

Having considered the aforesaid matters, we now propose to lay down the objectives of the present study.

OBJECTIVES OF THE PRESENT STUDY:
The present study has been undertaken with the following objectives:

1. To study the composition of revenue receipts of the Government of Assam;
2. To examine the trend of revenue receipts vis-à-vis total receipts of the Government of Assam.

METHODOLOGY:
The study is mainly based on secondary sources of information. The researchers have collected information chiefly from the Annual Financial Statements, the Finance Accounts and the Report of the Comptroller and Auditor General of India on State Finances of the Government of Assam.

The data so collected have been tabulated and inferences drawn therefrom. Statistical tools like line diagram, bar diagram and pie charts, have been used extensively to give a bird’s eye view of the tabulated data.

For the purpose of the present study a period of eight years has been taken. The period covered is from the year 2004-05 to 2011-12. In consonance with Objective No. 1 as stated above, we shall now undertake a study on the composition of revenue receipts of the Government of Assam.

COMPOSITION OF REVENUE RECEIPTS:
The composition of the state’s revenue speaks about the financing pattern of government expenditure in Assam. The receipts of the state may be classified as Revenue Receipts and Capital Receipts. The present study has been undertaken with the objective of studying the composition of revenue receipts of the Government of Assam and examining the trend of revenue receipts vis-à-vis total receipts of the Government of Assam.
Revenue and capital are the two streams of receipts that con-nect with Objective No.2. In the past, the share of capital receipts vis-à-vis total receipts of the Government of Assam in con-sideration has remained steady. However, the share of revenue receipts has increased steadily during the study period. The revenue receipts comprise the major source of funds for the Government of Assam. As can be dis-cerned from the table, the revenue receipts as a percentage of total receipts have shown an overall growth from 56.70% in 2004-05 to 67.62% in 2011-12.

Having considered the composition and trend of revenue receipts, we shall now examine the trend of revenue receipts vis-à-vis the total receipts for the period 2004-05 to 2011-12 in a tabular form (Table 2).

Table 2: Revenue receipts of Government of Assam vis-à-vis the total receipts for the period from 2004-05 to 2011-12 (Rs. In crores)

| Year      | Total Revenue Receipts | Total Capital Receipts | Revenue as a % of total receipts |
|-----------|------------------------|------------------------|----------------------------------|
| 2004-05   | 9,937                  | 2,988                  | 56.70                            |
| 2005-06   | 12,045                 | 4,146                  | 68.41                            |
| 2006-07   | 13,667                 | 4,846                  | 69.50                            |
| 2007-08   | 15,325                 | 6,093                  | 67.82                            |
| 2008-09   | 18,077                 | 7,794                  | 62.80                            |

Table 3: Percentage contribution of different components of State Revenue Receipts for the period 1990-91 to 2011-12 (Rs. In crores)

| Year      | Share in Central Taxes | Grants-in-Aid | Total Central Transfers | State Own Taxes | Non-tax Revenue | Total Own Revenue |
|-----------|------------------------|---------------|-------------------------|-----------------|-----------------|------------------|
| 1990-91   | 27.46                  | 33.28         | 60.74                   | 23.65           | 15.62           | 39.26             |
| 1991-92   | 21.96                  | 46.00         | 67.96                   | 21.18           | 10.86           | 32.04             |
| 1992-93   | 22.58                  | 39.99         | 62.57                   | 19.81           | 17.62           | 37.43             |
| 1993-94   | 33.53                  | 24.96         | 58.49                   | 26.45           | 15.06           | 41.51             |
| 1994-95   | 27.72                  | 39.91         | 67.63                   | 21.34           | 11.02           | 32.37             |
| 1995-96   | 27.07                  | 42.18         | 69.25                   | 20.81           | 9.94            | 30.75             |
| 1996-97   | 30.50                  | 41.26         | 71.76                   | 19.89           | 8.35            | 28.24             |
| 1997-98   | 34.10                  | 36.70         | 70.80                   | 20.39           | 8.81            | 29.20             |
| 1998-99   | 29.94                  | 38.23         | 68.17                   | 21.80           | 10.03           | 31.83             |
| 1999-2000 | 29.93                  | 35.58         | 65.51                   | 25.30           | 9.19            | 34.49             |
| 2000-2001 | 29.82                  | 35.82         | 65.63                   | 25.02           | 9.35            | 34.37             |
| 2001-2002 | 28.49                  | 36.41         | 64.91                   | 26.14           | 8.95            | 35.09             |
| 2002-2003 | 26.71                  | 34.62         | 61.32                   | 28.48           | 10.20           | 38.68             |
| 2003-2004 | 27.84                  | 33.31         | 61.15                   | 26.67           | 12.18           | 38.85             |
| 2004-2005 | 26.00                  | 35.92         | 61.93                   | 27.31           | 10.77           | 38.07             |
When a comparative study is made between the states on dependence of a state on central transfers, it has been found that the own revenue receipts of the state of Assam is low compared to other developed states such as Goa, Andhra Pradesh, Maharashtra during the study period. But compared to the special category states except Sikkim and Himachal Pradesh, the performance of the state of Assam has been found to be satisfactory. Again, if we compare the performance of the state to that of all major states’ average, the ratio of the state has been found to be much lower during the study period. Therefore, the state of Assam needs to increase the collection of own tax and non-tax revenue through proper revenue effort.

The optimum collection of revenue is an important prerequisite of economic development and it has got an inverse relationship with the cost of collection of different taxes. The costs of collection of major taxes in Assam have been found to be higher than all India figures for most of the year during the study period. The taxes on vehicles and stamps and registration are particularly two taxes that show a very high cost of collection than the all India average. This needs to be rectified by enforcing more efficiency in the tax collection by the administrative machinery.

CONCLUSION:

An important objective of a federal set up is to induce federating units to put more efforts to realize their potential resource base. In India, such efforts by states are given weightage in schemes of tax sharing and grants-in-aid by successive Finance Commissions and in allocation of plan grants by Planning Commission. As Assam is a backward state which is heavily dependent on central transfers for developmental works, it is necessary that the revenue mobilization effort of the state government should be adequate to gain more revenues from central government. Although the state has been able to reduce the arrear of revenue in recent years, but large arrear of revenue is still a matter of concern for the state government. The state government has to take all requisite measures to tackle this problem. The cost of collection of different taxes has been found to be much higher than the all-India state average implying there is scope for reforming the tax administrative machinery.

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