Meghalaya suffers
80 pc revenue loss

By Our Reporter

SHILLONG: The ongoing lockdown to keep COVID-19 at bay has delivered a body blow to the state with its revenue falling more than 80 per cent prompting the government to ask the Centre to stick to the Finance Commission's recommendation on the share of central taxes for the state.

The revelation, made by Chief Minister Conrad Sangma on Monday, came on a day when the Ministry of Finance released Rs 6157.74 crore, including Rs 40.91 crore for the state as grant-in-aid to cover deficit on post-devolution revenue account in 2020-21 as recommended by the 15th Finance Commission.

Incidentally, Meghalaya was allotted the least amount of Rs 40.91 crore for May as part of the devolution of revenue from the Centre.

Among the 13 states which received their share, Meghalaya got much lower than its North East counterparts - Mizoram (Rs 118.5 crore), Nagaland (Rs 326.41 crore), Tripura (269.66 crore) Manipur (235.33 crore) and Assam (631.58 crore).

The chief minister said the government has been asking the Centre for financial support from time to time, but what's most critical right now is for the state to get its share of central taxes calculated as per the recommendation of the Finance Commission adding that together with its own taxes it would be able to go through this phase even with challenges.

"Our request to the Centre is to go by the Finance Commission's recommendation", the chief minister said while regretting that last month the state received 20-25 per cent less than recommended.

Stating that the state would be in a slightly better position if it can maintain its taxes, he, however, admitted that even the Centre is facing challenges.

"What is happening to us is also happening to the country as a whole", the chief minister said.

The state government has also requested the Centre to amend the Fiscal Responsibility and Budget Management (FRBM) Act to increase the debt-to-GDP ratio from 3.5 per cent to 5 per cent.

Like other states, Meghalaya, too, has taken a beating due to the lockdown with all economic activities coming to a grinding halt; it is only over the past few days that some relaxations have been made for selected industries to resume work. The situation has even forced the government to defer the salaries of its employees.