

No.G.11020/5/2021-FC&MC
GOVERNMENT OF MIZORAM
FINANCE DEPARTMENT
FC&MC)

NOTIFICATION

Dated Aizawl the 9th October, 2023.

In pursuance of the decision of the Council of Ministers and as per the Explanatory Memorandum as to the action taken on the recommendation made by the Second Mizoram Finance Commission which was laid before the State Legislature on 23rd August, 2023; the Governor of Mizoram is pleased to issue Notification on implementation of accepted recommendations of the Second Mizoram Finance Commission as below:-

- (i) **Vertical devolution of taxes:** 42 percent of the net proceeds of the State's own tax revenue shall be devolved to the Local bodies as indicated in the Table below:-

(Rs in lakh)

Sl.No	Items	2024-25	2025-26
1	Projections of State Own Tax Revenue(SOTR)	1,19,313.00	1,21,883.00
2	Projected Tax collection charges	7,970.01	8,121.44
3	Net Proceeds of State's Own Tax Revenue(1-2)	1,11,342.99	1,13,761.56
4	Vertical Devolution @ 42% of net SOTR	46,764.06	47,779.86

(Para-9.21 & Table 9.8 of the Report)

- (ii) **Horizontal Devolution:** Horizontal devolution between Rural Local Bodies, Urban Local Bodies and Autonomous District Councils during 2024-25 and 2025-26 shall be as below as per Tables-9.9, 9.11, 9.12, 9.15, 9.16, 9.18, 9.19, 9.20, 9.21 of the Report of the 2nd Mizoram Finance Commission.

(Rs in lakh)

Sl.No	Items	2024-25	% of Tax Devolution	2025-26	% of Tax Devolution
1	Tax devolution to Rural Local Bodies	1,794.40	3.84%	2,755.92	5.76%
2	Tax devolution to Urban Local Bodies	2,547.46	5.45%	2,975.02	6.23%
3	Tax devolution to Autonomous District Councils	42,422.20	90.71%	42,048.92	88.01%
	TOTAL	46,764.06	100%	47,779.86	100%

(Table 9.9 of the Report)

- (iii) **Deficit Grants:** Post devolution revenue deficit grants for all ADCs shall be as per Para 9.24 & Table 9.9 of the Report.

(Rs in lakh)

Sl.No	Items	2024-25	2025-26
1	Post-devolution revenue deficit for all ADCs	18,286.92	22,557.20

(Para 9.24 & Table 9.9 of the Report)

- (a) Tax devolution to Village Councils District-wise for the period 2024-25 and 2025-26 is as shown in the Table below:-

(Rs in lakh)

Sl.No	Districts	2024-25	2025-26
1	Aizawl	171.79	263.84
2	Lunglei	210.78	323.73
3	Kolasib	173.67	266.74
4	Champhai	158.79	243.88
5	Mamit	222.55	341.80
6	Serchhip	146.87	225.56
7	Saitual	131.50	201.96
8	Khawzawl	97.98	150.48
9	Hnahthial	83.17	127.74
10	Siaha	139.31	213.96
11	Lawngtlai	257.99	396.23
	Total	1,794.40	2,755.92

(Table 9.12 of the Report)

Percentage shares and absolute shares of Village Councils shall be as indicated in Annexure 9.3 to 9.35 of the Report.

- (b) Tax devolution to Urban Local Bodies for the year 2024-25 and 2025-26 is as shown in the Table below:

(Rs in lakh)

Sl.No	Name of Urban Local Bodies	2024-25	2025-26
1	Aizawl Municipal Corporation	1,944.49	2,270.84
2	Lunglei Municipal Council	602.97	704.17
	Total	2,547.46	2,975.02

(Table 9.16 of the Report)

- (c) Tax devolution to Autonomous District Councils for the period 2024-25 and 2025-26 is as shown in the Table below:

(Rs in lakh)

Sl.No	Name of ADC	2024-25	2025-26
1	CADC	10,620.78	10,527.32
2	LADC	17,799.78	17,643.15
3	MADC	14,001.64	13,878.44
	Total	42,422.20	42,048.92

(Table 9.21 of the Report)

- (d) **Inter-se-shares of Post-devolution revenue deficit grants for Autonomous District Councils shall be as shown in the Table below:**

(Rs in lakh)

Sl.No	Post devolution revenue deficit grants	2024-25	2025-26
1	CADC	4,409.30	5,531.91
2	LADC	6,559.43	8,108.42
3	MADC	7,318.19	8,916.87
	Total	18,286.92	22,557.20

(Table 9.22 of the Report)

- (iv) **Devolution to Local Councils from share of Municipalities:** The Municipalities shall devolve 20% of the tax devolution from the State Government to the Local Councils. The inter se shares of local councils out of 20% of the State tax devolution for each Local Council shall be as per Para-9.53, Annexure 9.36 & 9.37 of the Report.

The recommendations on devolution of tax, deficit grants and horizontal devolution shall be implemented from the year 2024-25.

- (v) **Book of Accounts and Asset Register for Village Councils:** Maintenance and submission of accounts and Asset Register to the District Local Administration Officer at the end of every financial year shall be the pre-requisite condition for release of grants recommended by the State Finance Commission. (Para-6.60 & 6.61)
- (vi) **Other Recommendations:** Other recommendations will be considered in due course since it is considered necessary to first have consultations with various stakeholders.

Notes:

- 1. If SOTR in the revised estimates is less than the projection, it will not be feasible/realistic to devolve absolute shares recommended by the Commission. In such circumstance, percentages corresponding to absolute figures shall be used for calculation of absolute shares for the 1st level horizontal devolution. Subsequent horizontal devolution shall be recalculated accordingly.*
- 2. The approach taken by the Commission is to make recommendations to fully meet expenditure needs of local bodies and ADCs. If SOTR in Revised Estimate is equal to or more than the projection of the Commission, the recommended amounts will be sufficient to fully meet expenditure needs of local bodies and ADCs and hence to devolve more than assessed expenditure needs will not be necessary. Meantime, Deficit Grants are fixed grants as in the case of Central Finance Commission recommendations and is independent of tax devolution.*

Sd/-VANLAL CHHUANGA
Principal Secretary
Finance Department.

Copy to:

1. Secretary to the Governor, Mizoram.
2. PS to Chief Minister, Mizoram.
3. PS to Deputy Chief Minister, Mizoram.
4. PS to Speaker/Deputy Speaker, Mizoram.
5. PS to all Ministers, Minister of State, Mizoram.
6. PPS to Chief Secretary, Government of Mizoram.
7. All Administrative Heads of Department.
8. Accountant General, Mizoram, Aizawl.
9. Secretary, Mizoram Legislative Assembly.
10. All Head of Departments.
11. Executive Secretary, LADC/MADC/CADC.
12. Municipal Commissioner, Aizawl Municipal Corporation.
13. Chief Executive Officer, Lunglei Municipal Council.
14. Controller Printing and Stationeries with six(6) spare copies for publication in the Official Gazette Extra-Ordinary issue.
15. Guard File.

(Handwritten signature)
 9/10/23

(C.LUNGMUANPUIA)
 Under Secretary to the Govt. of Mizoram
 Finance Department (FC&MC)

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