


MANIPUR GAZETTE

**EXTRAORDINARY
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GOVERNMENT OF MANIPUR
SECRETARIAT: FINANCE DEPARTMENT
(FINANCE COMMISSION CELL)

ORDERS BY THE GOVERNOR
Imphal, the 18th February, 2013

No. 6/9/2005-FC: In pursuance of section 3 of the Manipur State Finance Commission Act, 1996, the Governor of Manipur is pleased to constitute the 3rd Manipur State Finance Commission. The Commission shall be a one man body. In supersession of carlier order of even number dated 1st February, 2013, the Governor is pleased to appoint Shri Rakesh, IAS (Retd), as the Chairman and Member of the Commission.

2. The Commission shall hold office upto 3 (three) months from the date on which he assumes office.

3. The Commission shall make recommendations to the Governor as to the following matters:-

- (i) the distribution between the State and the Panchayats including Autonomous District Councils and Municipalities of the net proceeds of taxes, duties, tolls and fees leviable by the State, which may be divided between them under Part-IX A of the Constitution and the allocation between the Panchayats including Autonomous District Councils and Municipalities at all levels of their respective shares of such proceeds;
- (ii) the determination of the taxes, duties, tolls and fees and the extent and the amount thereof which may be assigned to, or appropriated by the Panchayats including Autonomous District Councils and Municipalities;
- (iii) the principles which should govern the grants-in-aid to the Panchayats including Autonomous District Councils and Municipalities from the Consolidated Fund of the State;
- (iv) the measures needed to improve the financial position of the Panchayats, the Zilla Parishads, the Autonomous District Councils and the Municipalities.

4. In making its recommendations, the Commission shall have regard, among other considerations, to:-

- (i) the resources position of the State Government for five years commencing on 1st April, 2013, on the basis of levels of tax and non-tax revenues likely to be reached at the end of 2012-13;
- (ii) the resources of the local bodies, for the five years commencing on 1st April, 2013, on the basis of levels of taxation/non-tax revenues likely to be reached at the end of 2012-13;
- (iii) taxation efforts of the State Government and cash of the local bodies in the State as against target, if any, and the potential for resource mobilization through tax and non-tax revenue measures;
- (iv) need to evolve objective and transparent norms for both vertical (division between rural and urban local bodies) and horizontal (among each level of the local bodies) devolution and distribution of funds which serve to ensure inter local body equity;
- (v) the expenditure on non-salary component of maintenance and upkeep of capital assets and the non-wage related maintenance expenditure on plan schemes to be completed by the 31st March, 2013;
- (vi) need for evolving broad guidelines/priority areas for application of the grants-in-aid to the Panchayats including Autonomous District Councils and Municipalities;

5. The Commission shall recommend specific measures to streamline and computerize the tax administration for better compliance of existing taxes, rationalization of taxes, and recovery of the cost of operation and maintenance of the civic services through appropriate users charges;

6. The Commission shall review arrangements for maintenance of accounts of the local bodies; creation of database relating to finances of local bodies; arrangement made for audit of the accounts of the local bodies and the status thereof.

7. The Commission shall make its report based on the template recommended by the 13th Finance Commission.

8. The Commission shall make its report, as far as practicable within three months from the date the Chairman assumes office, on each of the matters aforesaid covering a period of five financial years commencing on the 1st day of April, 2013 subject to further extension being allowed by the State Government based on requirement/necessity.

9. The above terms of reference shall be subject to modification/revision by the State Government depending on requirement/necessity, from time to time.

By orders & in the name of the Governor,

BARUN MITRA,
Principal Secretary (Finance), Government of Manipur.