

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 3860
ANSWERED ON 11.08.2026

TAXES AND FEES LEVIED BY GRAM PANCHAYATS

†3860. SHRI SUDHAKAR SINGH:

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether Gram Panchayats under the three-tier Panchayati Raj system in various States of the country have the authority to levy and collect taxes, rates and fees, if so, the details of the taxes, rates and fees being collected by Gram Panchayats in different States, along with the State-wise details during the last five years;

(b) whether Bihar is among the most backward States in the country with a per capita income significantly lower than the national average, due to which taxes and fees levied by Gram Panchayats impose an additional financial burden on the rural population, if so, the details thereof; and

(c) whether the Union Government is considering to formulate any policy in consultation with the State Government of Bihar to abolish such taxes and fees levied by Gram Panchayats, if so, the timeline for the said policy and if not, the reasons therefor?

ANSWER

THE MINISTER OF PANCHAYATI RAJ
(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a) Yes sir. As per Article 243H of the Constitution of India, legislature of the State may, by law, authorize a Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits and assign to the Panchayats such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits as may be specified in the law.

This Ministry does not maintain the details of the taxes, rates and fees being collected by Gram Panchayats in different States centrally.

(b) & (c) As per the Handbook of Statistics published by the Reserve Bank of India, the Per Capita Income of Bihar is Rs. 32,174/- against the National average of Rs. 1,06,744/- for the year 2023-24. As per Article 243H of the Constitution of India, the authority to levy taxes, duties, tolls and fees by Panchayati Raj Institutions is vested in the respective State Legislatures, and the implementation thereof rests with the State Governments.
