

## **Tenth Finance Commission Recommendation**

31. The government has decided, on the basis of a consensus arrived at in the third meeting of the inter-state council held on July 17,1997, to accept in principle the recommendations of the Tenth Finance Commission (TFC) regarding the alternative scheme of sharing of taxes between the centre and the states from a single divisible pool at a uniform rate of 29 per cent as detailed in chapter XIII of the TFC report, subject to the modification that instead of freezing the percentage share of gross proceeds of central taxes to be transferred to the states for fifteen years with effect from April 1,1996 as suggested by the TFC, this percentage share may be reviewed by successive Finance Commissions. It is proposed to bring forward the enabling constitution amendment bill to give effect to this decision, which has been endorsed by all the states.

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