

Bihar Cabinet Empowers Gram Panchayats to Levy Taxes

The Bihar cabinet authorized Gram Panchayats to levy and collect taxes, enhancing their financial autonomy.

This initiative grants financial independence to local self-governing bodies by allowing them to generate their own revenue.

KEY EXAM POINTS

- The **Bihar cabinet** authorized **Gram Panchayats** to impose and collect taxes on **July 15, 2026**.
- This decision aims to enable panchayats to develop their own **financial resources**.
- The move is intended to reduce the dependence of **Gram Panchayats** on the **State government**.
- The cabinet approved the draft '**Gram Panchayat Taxes, Rates and Fees Rules, 2026**'.
- The cabinet meeting was chaired by **Chief Minister Samrat Choudhary**.
- The cabinet also approved the **delimitation** of **Gram Panchayat**, **Panchayat Samiti**, and **Zila Parishad**.

STATICS & SYLLABUS FOCUS

The **73rd Constitutional Amendment Act** of **1992** granted constitutional status to **Panchayati Raj Institutions** (PRIs).

Part IX of the Indian Constitution, titled '**The Panchayats**', deals with **Panchayati Raj**.

Article 243H empowers **State Legislatures** to authorize **Panchayats** to levy, collect, and appropriate taxes, duties, tolls, and fees.

The **Balwant Rai Mehta Committee** (**1957**) recommended the establishment of a **three-tier Panchayati Raj system**.

National Panchayati Raj Day is celebrated annually on **April 24**, commemorating the enactment of the **73rd Amendment**.

Lord Ripon is widely known as the '**Father of Local Self-Government**' in India for his **1882 resolution**.

The **Tamil Nadu Panchayats Act, 1994**, governs the functioning of **Panchayati Raj Institutions** in **Tamil Nadu**.

REVISION FLASHCARD

Bihar cabinet authorized Gram Panchayats to levy taxes, enhancing financial autonomy.

Syllabus Relevance: High - Directly relates to Indian Polity (Unit 5) and Indian Economy (Unit 6) on local governance and financial autonomy.

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