

TN Extends 7th State Finance Commission's Tenure Till Dec 31

The Tamil Nadu government extended the tenure of the 7th State Finance Commission by four months until December 31, 2026.

A constitutional body appointed to review the financial position of local bodies and recommend tax distribution between the State and local governments.

KEY EXAM POINTS

- The Tamil Nadu government extended the tenure of the **Seventh State Finance Commission** by four months until **December 31, 2026**.
- The Commission's tenure was originally scheduled to expire on **August 31, 2026**.
- The Seventh State Finance Commission is chaired by retired IAS officer **K. Allaudin**.
- The 7th State Finance Commission was constituted by the Tamil Nadu government in **May 2025**.
- The Commission assesses the financial status of **village panchayats**, panchayat union councils, district panchayats, town panchayats, municipalities, and **municipal corporations**.

STATICS & SYLLABUS FOCUS

Article 243-I of the Constitution mandates the **Governor** to constitute a State Finance Commission every five years for rural local bodies.

Article 243-Y provides for the constitution and functions of the State Finance Commission for urban local bodies.

The **73rd Constitutional Amendment Act** (1992) and 74th Constitutional Amendment Act (1992) added **Part IX** and **Part IX-A** to the Constitution respectively.

The **First State Finance Commission** in Tamil Nadu was constituted in **1994** following the Tamil Nadu Panchayats Act, **1994**.

Under Article 243-I, the Governor places the recommendations of the State Finance Commission together with an explanatory memorandum before the **State Legislature**.

Tamil Nadu enacted **50% reservation** for women in local bodies through the **Tamil Nadu Panchayat Raj (Amendment) Act, 2016**.

REVISION FLASHCARD

7th TN State Finance Commission Chairman: K. Allaudin IAS (Retd) | Constitutional Provisions: Article 243-I & 243-Y.

Syllabus Relevance: Very High (Direct Constitutional Provision - Article 243-I, 243-Y & TN Local Bodies)

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