Article 270
Taxes levied and distributed between the Union and the States

(1) All taxes and duties referred to in the Union List, except the duties and taxes referred to in [2][articles 268, 269 and 269A], respectively, surcharge on taxes and duties referred to in article 271 and any cess levied for specific purposes under any law made by Parliament shall be levied and collected by the Government of India and shall be distributed between the Union and the States in the manner provided in clause (2).

[3][(1A) The tax collected by the Union under clause (1) of article 246A shall also be distributed between the Union and the States in the manner provided in clause (2).

(1B) The tax levied and collected by the Union under clause (2) of article 246A and article 269A, which has been used for payment of the tax levied by the Union under clause (1) of article 246A, and the amount apportioned to the Union under clause (1) of article 269A, shall also be distributed between the Union and the States in the manner provided in clause (2).]

(2) Such percentage, as may be prescribed, of the net proceeds of any such tax or duty in any financial year shall not form part of the Consolidated Fund of India, but shall be assigned to the States within which that tax or duty is leviable in that year, and shall be distributed among those States in such manner and from such time as may be prescribed in the manner provided in clause (3).

(3) In this article, "prescribed" means, –

- (i) until a Finance Commission has been constituted, prescribed by the President by order, and
- (ii) after a Finance Commission has been constituted, prescribed by the President by order after considering the recommendations of the Finance Commission.]

Amendment notes

1 Subs. by the Constitution (Eightieth Amendment) Act, 2000, s. 3, for art. 270 (w.e.f. 1-4-1996).

2 Subs. by the Constitution (Eighty-eighth Amendment) Act, 2003, s. 3, for “articles 268 and 269” (not enforced) and further subs. by the Constitution (One Hundred and First Amendment) Act, 2016, s. 10, for “arts. 268, 268A and 269” (w.e.f. 16-9-2016).

3 Ins. by s. 10, ibid. (w.e.f. 16-9-2016).