

# ₹4.26-lakh crore allocation, urban dev, rail corridors to keep UP on growth track

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**LUCKNOW:** Uttar Pradesh's share in the Union budget 2026-27 went up by approximately Rs 34,000 crore to nearly Rs 4.26 lakh crore, which includes central tax devolution and centrally sponsored schemes.

In the 2025-26 Union budget, Uttar Pradesh was allocated Rs 3.92 lakh crore. Uttar Pradesh's share in central tax devolution has gone up in absolute numbers from Rs 2.55 lakh crore in 2025-26 to Rs 2.68 lakh crore in 2026-27.

The state's share in centrally sponsored schemes is projected to go up from Rs 96,000 crore to approximately Rs 1.10 lakh crore this year. Under the finance commission recommendations, UP is likely to get Rs 20,000 crore.

The Union government has accepted the finance commission's recommendation to retain the vertical share of tax devolution at 41% for states and UP's share is 17.62%.

Tax devolution refers to the distribution of tax revenues between the central government and the state governments. It is a constitutional mechanism established to allocate the proceeds of certain taxes among the Union and the states in a fair and equitable manner.

Uttar Pradesh, which has a number of tier 2 and tier 3 cities, will also gain from the budget's major thrust on regional urban development and focus on the development of city economic regions (CERs), with a proposed allocation of ₹5,000 crore per region over five years.

The Varanasi-Siliguri and Varanasi-Delhi high speed rail



BJP leaders watched the Union Budget 2026-27 at the party's state office in Lucknow on Sunday. The BJP held a statewide live telecast across 98 districts and 1,905 mandals, attracting nearly seven lakh viewers. Deputy CM Brajesh Pathak and BJP state general secretary (organisation) Dharampal Singh attended the headquarters event.

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corridor will benefit Uttar Pradesh and so will hostels for girls in districts and development of temple cities. The construction of the rail corridor will improve the state's connectivity to the Northeast.

Chief minister Yogi Adityanath appreciated the budget for initiatives such as the construction of girls' hostels in every district, and providing world-class infrastructure facilities to give wings to the aspirations of youth.

Uttar Pradesh finance minister Suresh Kumar Khanna said, "Increase in capital expenditure in the budget will accelerate the

development of expressways, industrial corridors, logistics hubs, railways, and urban infrastructure in Uttar Pradesh, opening new avenues for investment."

Commenting on tax devolution, Khanna said, "There will be no major impact, but yes it will be 17.6% instead of earlier 17.9%. But the fact is that Uttar Pradesh is a revenue surplus state and the government has decided to help the weak states. The ratio is also an indicator that UP is developing. We are self-sustained and our financial position and financial discipline are strong."

## UP SET TO GAIN

**Mahatma Gandhi Handloom Scheme Kashi (Varanasi), Azamgarh, Chandauli, Bhadohi and surrounding areas set to benefit.**

**Mahatma Gandhi Gramin Swaraj Scheme** About 73% rural population will benefit; rural industries will be promoted.

**Infra Dev** Infrastructure will be improved in cities with a population of over 5 lakh. 25 cities of Uttar Pradesh are included.

**Women She-Mart** for rural women. Uttar Pradesh has the highest number of women beneficiaries, with over 18 Lakhpati Didis.

**Health Capacity of district hospitals** will increase. Trauma Centres will be set up in every district. Medicines for seven rare diseases will become cheaper, benefiting crores of patients.