

# THE LAW OF THE REPUBLIC OF AZERBAIJAN

## On the state budget of the Republic of Azerbaijan

The Milli Mejlis of the Republic of Azerbaijan is **making the following decision** referring the provision 5 of the 1<sup>st</sup> chapter of the article 95 of the Constitution of the Republic of Azerbaijan:

The Article 1. The income of the state budget of the Republic of Azerbaijan for 2016 shall be approved in amount of 14 566 000.0 thousand AZN, the expenditures shall be approved in amount of 16 264 000.0 thousand AZN (including the centralized incomes in amount of 13 799 645.5 thousand AZN, local incomes in amount of 766 345.5 thousand AZN, and centralized expenditures in amount of 14 722 749.0 thousand AZN, local expenditures in amount of 1 541 251.0 thousand AZN).

The Article 2. The incomes of the state budget of the Republic of Azerbaijan for 2016 shall be considered in following amounts on the income sources:

No.	Sources of income	Amount (thousand manat)
1	2	3
2.1.	Income tax of physical entities	957 000.0
2.2.	Profit (income) tax of legal entities	1 806 600.0
2.3.	Land tax of legal entities	50 000.0
2.4.	Property tax of legal entities	174 200.0
2.5.	Value Added Tax	3 336 000.0
2.5.1.	Value Added Tax for import of goods into the Republic of Azerbaijan	1 120 000.0
2.6.	Simplified tax	280 000.0
2.7.	Excise	637 000.0
2.7.1.	Excise for import of goods into the Republic of Azerbaijan	105 000.0
2.8.	Road tax (toll)	87 000.0
2.8.1.	Road tax paid by the owners of vehicles of foreign countries	17 000.0
2.9.	Extraction tax	107 200.0
2.10.	Custom duties	348 000.0
2.11.	Incomes received from variations between the in country wholesale prices and contract (procurement) prices of goods (excluding the import prices) produced in the Republic of Azerbaijan with regulated prices	118 000.0
2.12.	Incomes received from the credits provided to foreign countries from the Budget	25 553.0
2.13.	Dividends received from the entities with state shares on their stock	5 290.0
2.14.	Incomes from the State Oil Fund	6 000 000.0
2.15.	Incomes from the rent of lands under the state property, privatized entities and facilities	7 000.0
2.16.	Incomes from the rent of lands under the state property	6 000.0
2.17.	Incomes from the sale of excise labels	3 000.0

2.18.	State fees	105 000.0
2.19.	Incomes on chargeable services of budget organizations	305 000.0
2.20.	Other tax incomes	180 000.0
2.21.	Other incomes	28 157.0

The Article 3. It shall be defined that “Roads” on Purpose Budget Fund is formed on the basis of the following income sources of the state budget:

3.1.	The “Roads” on Purpose Budget Fund	290 000.0
3.1.1.	Road tax	87 000.0
3.1.2.	Simplified tax paid by the persons conducting transportation of passengers and goods with the vehicles under their property exploitation	10 000.0
3.1.3.	Excise applied to imported cars	45 000.0
3.1.4.	Customs fees applied to imported cars	64 700.0
3.1.5.	State fee charged for permissions regulating international vehicle transportations within the Republic of Azerbaijan	12 500.0
3.1.6.	State fee charged for annual technical survey of vehicles, including motorcycles, trailers and semi-trailers	12 500.0
3.1.7.	Funds allocated from the centralized incomes of the state budget	55 300.0

The Article 4. The tax incomes to the state budget of the Republic of Azerbaijan for 2016 are calculated in accordance to the tax rates defined on the Tax Code of the Republic of Azerbaijan.

The Article 5. The collection to the state budget is defined in 30 percent of the variations between the in country wholesale prices and contract (procurement) prices of goods (excluding the import prices) produced in the Republic of Azerbaijan with regulated tax and these collections are not incorporated into taxpayers’ taxes, percentages, financial sanctions and administrative fines.

The Article 6. The centralized incomes of the state budget of the Republic of Azerbaijan for 2016 are formed based on following sources:

6.1. The incomes after local expenditures of the cities and districts for 2016 defined by the Article 10 of this law (except the ones included to the “Roads” on Purpose Budget Fund)

6.2. customs fees, Value Added Tax and excise for import of goods into the Republic of Azerbaijan (excluding the collection from the custom structures of Nakhchivan Autonomous Republic), incomes from the rent of lands under state property, privatized state entities and facilities, incomes from the loans provided to the governments of foreign countries, dividends from companies with state shares in their stock, incomes from the State Oil Fund of the Republic of Azerbaijan, incomes from the sale of excise labels, other incomes, incomes from chargeable services of budget entities funded from the centralized state expenditures, incomes of “Roads” on Purpose Budget Fund (total amount)

The Article 7. Incomes of district and cities for 2016, defined by the Article 10 of this Law, in amount not exceeding local expenditures of respective district and cities forms their local revenues.

The Article 8. The expenditures of the state budget of the Republic of Azerbaijan for 2016 are directed to the following purposes in the level of sectors of functional classification and supplementary sectors:

<b>No.</b>	<b>Directions of expenditures</b>	<b>Amount (in AZN)</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>
8.1.	General state services	2 416 862 479.0
8.1.1.	Maintenance cost of legislation and executive power bodies	538 323 218.0
8.1.2.	International activities and costs for membership fees to international organizations	193 300 000.0
8.1.3.	Science expenditures	131 721 750.0
8.1.4.	General state services costs not related to other categories	16 232 362.0
8.1.5.	Expenditures related to maintenance of state debts and commitments	1 249 735 149.0
8.1.6.	Subsidiaries allocated to local budgets (municipalities)	5 200 000.0
8.1.7.	Subsidiaries to Nakhchivan Autonomous Republic	282 350 000.0
8.2.	Defense	1 837 821 237.0
8.2.1.	Security forces	1 723 482 961.0
8.2.2.	National security	108 894 688.0
8.2.3.	Applied researches in field of defense and security	2 422 012.0
8.2.4.	Expenditures not related to other categories	3 021 576.0
8.3.	Judicial power, law enforcement and prosecution bodies	1 138 758 292.0
8.3.1.	Judicial power	51 928 060.0
8.3.2.	Law enforcement	863 261 182.0
8.3.3.	Prosecution	58 493 009.0
8.3.4.	Expenditures not related to other categories	165 076 041.0
8.4.	Education	1 713 513 135.0
8.4.1.	Pre-school	157 372 405.0
8.4.2.	Primary school	940 134 626.0
8.4.3.	Specialization school	33 724 900.0
8.4.4.	Secondary school	43 563 736.0
8.4.5.	Higher education	37 235 595.0
8.4.6.	Tertiary education	3 574 175.0
8.4.7.	Other bodies and events in education	497 907 698.0
8.5.	Healthcare	744 855 809.0
8.5.1.	Polyclinics and ambulatory hospitals	108 294 921.0
8.5.2.	Hospitals	352 704 877.0
8.5.3.	Other services in healthcare field	6 770 121.0
8.5.4.	Applied researches in healthcare	4 945 567.0
8.5.5.	Other services related to healthcare	272 140 323.0
8.6.	Social protection and social security	1 896 554 714.0

8.6.1.	Social protection expenditures	1 860 773 359.0
8.6.1.1.	Allocations (transfers) from the state budget to the State Social Protection Fund of the Republic of Azerbaijan	1 100 000 000.0
8.6.2.	Social security expenditures	35 781 355.0
8.7.	Activities in the field of culture, art, information, sport and fields not related to other categories	652 748 607.0
8.7.1.	Activities in the field of culture and art	140 941 256.0
8.7.2.	Radio, TV and print media	66 916 442.0
8.7.3.	Sport, youth policy and tourism	359 284 985.0
8.7.4.	Activities not related to other categories	85 605 924.0
8.8.	Housing and communal services	416 763 883.0
8.8.1.	Housing services	90 651 523.0
8.8.2.	Communal services	311 767 377.0
8.8.3.	Water economy	13 824 432.0
8.8.4.	Other services related to housing and communal services	520 551.0
8.9.	Fuel and energy	5 654 925.0
8.10.	Agriculture, forestry, fishery, hunting and protection of environment	596 599 165.0
8.10.1.	Agriculture	570 384 822.0
8.10.2.	Forestry	11 603 369.0
8.10.3.	Fishery and hunting	2 650 803.0
8.10.4.	Protection of environment	4 423 061.0
8.10.5.	Hydrometeorology activities	7 537 110.0
8.11.	Industry, construction and natural fossils	3 578 856 000.0
8.11.1.	Construction	3 558 076 000.0
8.11.1.1.	State investment (investment costs)	3 554 800 000.0
8.11.2.	Natural fossils	20 780 000.0
8.12.	Transportation and communication	114 787 486.0
8.12.1.	Transportation	83 174 634.0
8.12.2.	Communication	31 612 852.0
8.13.	Economic activity	254 000 000.0
8.13.1.	Economic and commercial activities	116 000 000.0
8.13.1.1.	Support to entrepreneurship	66 000 000.0
8.13.1.2.	Support to mortgage loans	50 000 000.0
8.13.2.	Other fields of economic activities	138 000 000.0
8.14.	Services not related to main sectors	896 224 268.0
8.14.1.	On purpose budget funds	290 000 000.0
8.14.1.1.	“Roads” on purpose Budget Fund	290 000 000.0
8.14.2.	Reserve funds	385 000 000.0
8.14.2.1.	Reserve Fund of the President of the Republic of Azerbaijan	285 000 000.0
8.14.2.2.	The Reserve Fund of the State Budget	100 000 000.0
8.14.3.	Other expenditures not related to main sectors	221 224 268.0
8.14.3.1.	Expenditures related to the holding of international and local events	26 000 000.0

8.14.3.2.	Expenditures related to elimination of the results of emergency situations	25 000 000.0
8.14.3.3.	Expenditures related to other services	170 224 268.0

The Article 9. The expenditures of the state budget of the Republic of Azerbaijan for 2016 are approved in the level of paragraphs of functional and economic classification in amount provided in the annex of this Law.

The Article 10. The incomes on the cities and districts of the Republic of Azerbaijan shall be approved in the amount of 6 602 000.0 AZN, including the amount related to “Roads” on Purpose Budget Fund in the amount of 108 000 000.0 AZN, local expenditures 1 538 281 000.0 AZN, part of incomes after local expenditures and related to centralized incomes in the amount of 5 730 624 457.0 AZN, the maximum amount of allocation from centralized expenditures for regulating local incomes and expenditures in the amount of 774 905 457.0 AZN. Incomes of the budget bodies of those cities and districts funded from the local expenditures of the state budget shall be approved in the amount of 2 970 000.0 AZN and expenditures in the amount of 2 970 000.0 AZN.

No.	Name of cities and districts	Incomes		Local expenditures	The minimum level of incomes after local expenditures and related to centralized incomes	The maximum level of allocation from centralized expenditures for regulating local incomes and expenditures
		Total	including			
	<b>Cities</b>					
1	Baku	6 015 106 000	88 471 000	210 395 543	5 716 239 457	0
2	Ganja	43 195 000	1 006 000	59 268 401	0	17 079 401
3	Lankaran	16 000 000	224 000	35 028 375	0	19 252 375
4	Mingachevir	29 267 000	173 000	29 094 000	0	0
5	Naftalan	3 762 000	12 000	3 750 000	0	0
6	Sumgayit	83 964 000	1 064 000	68 515 000	14 385 000	0
7	Shaki	18 640 000	278 000	36 867 254	0	18 505 254
8	Shirvan	16 210 000	579 000	15 631 000	0	0
9	Yevlakh	14 360 000	428 000	23 304 309	0	9 372 309
10	Khankandi					
	<b>Districts</b>					
11	Absheron	34 839 000	245 000	34 594 000	0	0
12	Aghjabedi	8 200 000	175 000	24 835 872	0	16 810 872
13	Aghdam	5 110 000	115 000	38 489 542	0	33 494 542
14	Aghdash	5 100 000	87 000	19 832 464	0	14 819 464
15	Aghstafa	4 200 000	112 000	16 743 545	0	12 655 545

16	Aghsu	3 400 000	70 000	14 606 050	0	11 276 050
17	Astara	9 246 000	4 040 000	18 709 157	0	13 503 157
18	Balakan	4 750 000	1 488 000	16 470 032	0	13 208 032
19	Beylagan	8 300 000	94 000	16 171 117	0	7 965 117
20	Barda	10 600 000	125 000	29 178 132	0	18 703 132
21	Bilasuvur	5 300 000	898 000	15 080 851	0	10 678 851
22	Jabrayil	1 400 000	48 000	12 999 701	0	11 647 701
23	Jalilabad	6 883 000	128 000	31 505 957	0	24 750 957
24	Dashkesen	2 900 000	10 000	11 605 645	0	8 715 645
25	Fuzuli	6 475 000	76 000	29 091 703	0	22 692 703
26	Gadabay	4 560 000	46 000	24 814 943	0	20 300 943
27	Goranboy	4 650 000	60 000	23 568 763	0	18 978 763
28	Goychay	8 600 000	105 000	20 560 171	0	12 065 171
29	Goygol	4 400 000	41 000	14 895 905	0	10 536 905
30	Hajigabul	5 100 000	78 000	10 775 929	0	5 753 929
31	Khachmaz	18 668 000	147 000	30 692 438	0	12 171 438
32	Khizi	1 865 000	13 000	5 629 746	0	3 777 746
33	Khojali	420 000	18 000	3 935 870	0	3 533 870
34	Khojavand	748 000	32 000	5 074 908	0	4 358 908
35	Imishli	20 123 000	73 000	20 050 000	0	0
36	Ismayilli	5 698 000	58 000	19 856 463	0	14 216 463
37	Kalbajar	1 400 000	26 000	21 615 151	0	20 241 151
38	Kurdamir	7 000 000	78 000	18 202 070	0	11 280 070
39	Gakh	3 500 000	54 000	16 454 555	0	13 008 555
40	Gazakh	6 750 000	136 000	19 670 799	0	13 056 799
41	Gabala	13 019 000	78 000	19 679 976	0	6 738 976
42	Gobustan	2 900 000	58 000	8 689 985	0	5 847 985
43	Guba	12 900 000	163 000	28 820 951	0	16 083 951
44	Gubadli	2 300 000	38 000	10 922 072	0	8 660 072
45	Gusar	5 170 000	67 000	19 176 194	0	14 073 194
46	Lachin	2 200 000	90 000	22 452 932	0	20 342 932
47	Lerik	2 188 000	20 000	16 783 468	0	14 615 468
48	Masalli	8 400 000	162 000	27 137 969	0	18 899 969
49	Neftchala	5 300 000	56 000	15 106 649	0	9 862 649
50	Oghuz	2 900 000	48 000	11 271 684	0	8 419 684
51	Saatli	7 981 000	48 000	18 791 762	0	10 858 762
52	Sabirabad	10 400 000	82 000	25 808 719	0	15 490 719
53	Salyan	7 800 000	90 000	22 677 232	0	14 967 232
54	Samukh	2 800 000	62 000	12 960 087	0	10 222 087
55	Siyazan	4 000 000	30 000	8 051 748	0	4 081 748
56	Shabran	4 374 000	42 000	11 226 482	0	6 894 482
57	Shamakhi	6 700 000	86 000	19 446 147	0	12 832 147
58	Shamkir	10 960 000	206 000	39 066 037	0	28 312 037
59	Shusha	1 280 000	14 000	7 226 837	0	5 960 837
60	Tartar	4 600 000	52 000	15 755 791	0	11 207 791
61	Tovuz	14 350 000	5 282 000	32 931 334	0	23 863 334
62	Ujar	4 200 000	72 000	15 612 752	0	11 484 752

63	Yardimli	2 000 000	19 000	14 069 275	0	12 088 275
64	Zagatala	7 270 000	152 000	23 754 468	0	16 636 468
65	Zangilan	2 200 000	40 000	9 446 025	0	7 286 025
66	Zardab	3 119 000	32 000	13 849 063	0	10 762 063
	<b>Total</b>	6 602 000 000	108 000 000	1 538 281 000	5 730 624 457	774 905 457

The Article 11. In case, incomes of cities and districts, as well as the highest verge of funds allocated for regulation of local incomes and expenditures are not enough to cover local expenditures, relevant executive authority allocates funds not more than 10 percent of expenditures of those cities and districts to ensure financing of local expenditures identified in the Article 10 of this Law.

The Article 12. The amounts of payment of internal and foreign state debts of the Republic of Azerbaijan for 2016 shall be approved as following (in AZN):

12.1.	<b>On internal state debt</b>	301 064 641.0
12.1.1.	Interest rate	43 623 646.0
12.1.2.	On the main loan	257 440 995.0
12.2.	<b>On foreign state debt</b>	948 670 508.0
12.2.1.	Interest rate	214 233 599.0
12.2.2.	On the main loan	734 436 909.0

The Article 13. The highest verge (limit) of internal state debt of the Republic of Azerbaijan for 2016 shall be approved in the amount of 2 500 000.0 thousand AZN and the highest verge (limit) of the foreign state debt shall be approved in the amount of 1 500 000.0 thousand AZN.

The Article 14. According to the Article 7 of the Law of the Republic of Azerbaijan on the "Budget system" within the process of execution of the state budget the justified provisions for expenditures are financed prior, the rest of the provisions for expenditures are financed depending on conditions of transfers on sources of funding of incomes and deficit of the state budget.

The Article 15. The highest verge (limit) of the state budget deficit shall be approved in the amount of 1 698 000.0 thousand AZN. Its funding shall be implemented from the transfers form privatization, transfers from internal and foreign debts, foreign grants and from the united treasure account of the state budget for January 1, 2016.

The Article 16. The highest verge of expenditures of summary budget of the Republic of Azerbaijan for 2016 shall be approved in the amount of 19 956 524.8 thousand AZN.

The Article 17. The budget deficit of the summary of budget of the Republic of Azerbaijan for 2016 shall be approved in the amount of 9 947 954.7 thousand AZN without taking into consideration the incomes of the State Oil Fund of the Republic of Azerbaijan.

The Article 18. This Law is coming into force starting from January 1, 2016.

**Ilham Aliyev**

**President of the Republic of Azerbaijan**

Baku, October 20, 2015