



## **THE LAW OF AZERBAIJAN RERUBLIC ON STATE BUDGET OF AZERBAIJAN REPUBLIC FOR 2008**

### **Article 1.**

The state budget of the Republic of Azerbaijan for 2008 shall be approved with the revenues amounting to 7 392 500,0 thousand manats and the expenditures amounting to 8 518 900,0 thousand manats (including the centralized revenues of 7 134 500,7 thousand manats, the domestic revenues of 257 999,3 thousand manats, the centralized expenditures of 7 605 576,1 thousand manats and domestic expenditures of 913 323,9 thousand manats).

### **Article 2.**

The revenues of the state budget of the Republic of Azerbaijan for 2008 are stipulated in the following amounts based on the sources of revenues:

thousand manats

<b>Income source</b>		<b>State budget revenues</b>
2.1	Income tax of individuals	750 000,0
2.2	Profit (income) tax of legal entities	2 280 000,0
2.3	Value added tax	1 725 000,0
2.3.1	Value added tax on the import of goods to the territory of the Republic of Azerbaijan	745 000,0
2.4	Excise duty	450 000,0
2.4.1	Excise duty on the import of goods to the territory of the Republic of Azerbaijan	85 000,0
2.5	Property tax of legal entities	110 000,0
2.6	Land tax of legal entities	30 000,0
2.7	Road tax	29 500,0
2.7.1	Road tax paid by the owners of motor vehicles of foreign countries	3 500,0

2.8	Mine tax	137 000,0
2.9	Simplified tax	63 000,0
2.10	Customs duties	266 500,0
2.11	State dues	52 000,0
2.12	Rentals from the lease of the lands in state ownership	4 000,0
2.13	Other non-tax revenues	203 000,0
2.14	Revenues from the lease of state property and the lands occupied by the privatized state enterprises and facilities	3 500,0
2.15	Revenues from of the credits granted to the governments of foreign countries	448,0
2.16	Dividends from the banks and other credit organizations with the share of state in their stocks	26 496,0
2.17	Revenues from the credits borrowed from the credit organizations with the state guarantee of the Republic of Azerbaijan	1 615,4
2.18	Dividends from non-financial state institutions	4 000,0
2.19	Revenues from the State Oil Fund	1 100 000,0
2.20	Revenues from the credits granted from the budget	5 007,6
2.21	Revenues from the recurring loan agreements	3 333,0
2.22	Revenues from the sales of documentary stamps	1 900,0
2.23	Revenues from the sales of stringent accounting forms	200,0
2.24	Revenues from the paid services of the government-financed organization	136 000,0
2.25	Revenues from the administration of the surplus (free surplus) of the single budget account	10 000,0

### **Article 3.**

It shall be determined that the "Motor Roads" Purpose Budget Fund is established out of the following sources of revenues:

3.1	Road tax	29 500,0
3.2.	Simplified tax paid by the persons performing passenger transportation and freight forwarding by means of the vehicles in their ownership or use	11 500,0
3.3	Excise duties applied to the imported cars	50 000,0
3.4	Customs duties applied to the imported motor vehicles	30 000,0
3.5	State due charged for the issue of the authorization regulating the international motor transportations in the territory of the Republic of Azerbaijan	3 500,0
3.6	State due charged for the annual technical inspection of vehicles, including motor vehicles, trailers and semi-trailers	5 500,0

### **Article 4.**

Tax revenues to the state budget of the Republic of Azerbaijan are calculated based on the tax rates stipulated in the Tax Code of the Republic of Azerbaijan.

### **Article 5.**

A duty amounting to 30 percent is imposed on the variance between the contracting (sales) price (excluding the export expenses) and the domestic wholesale price during the export of the goods produced in the Republic of Azerbaijan and the price-regulated goods.

### **Article 6.**

A duty amounting to 75 percent is imposed on the part of the export price per barrel of crude oil exceeding 50 USD.

### **Article 7.**

The duties stipulated in Article 5 of the present Law is transferred to the state budget and the duties stipulated in Article 6 are transferred to the State Oil Fund of the Republic of Azerbaijan.

### Article 8.

The centralized revenues of the state budget of the Republic of Azerbaijan for 2008 are established out of the allocations from the following sources based on the specified standards:

8.1.	Revenues on Baku city (excluding the revenues relevant to "Motor Roads" Purpose Budget Fund)	98,39 percent
8.2.	Revenues from the following sources:	
	Customs duties, value added tax and excise duties for the import of goods to the territory of the Republic of Azerbaijan (excluding those collected by the customs authorities of the Autonomous Republic of Nakhchivan), Revenues from the lease of state property and the lands occupied by the privatized state enterprises and facilities, revenues from of the credits granted to the governments of foreign countries, dividends from the banks and other credit organizations with the share of state in their stocks, revenues from the credits borrowed from the credit organizations with the state guarantee of the Republic of Azerbaijan, dividends from non-financial state institutions, revenues from the State Oil Fund, revenues from the sales of documentary stamps, revenues from the sales of stringent accounting forms, revenues of the credits granted from the budget, revenues from the recurring loan agreements, revenues from the paid services of the organizations financed out of from the centralized expenditures of the budget, revenues from the administration of the surplus (free surplus) of single budget account, revenues of the "Motor Roads" Purpose Budget Fund	100,0 percent

### Article 9.

The following are included into the local revenues of cities and regions:

- 9.1. 61 percent of revenues excluding the revenues relevant to the "Motor Roads" Purpose Budget Fund and off-budget revenues of the organizations financed from the local expenditure;
- 9.2. 100 percent of revenues on other cities and regions (excluding the revenues relevant to the "Motor Roads" Purpose Budget Fund)

## Article 10.

Expenditures of the state budget of the Republic of Azerbaijan for 2008 are assigned to the following purposes at the sectional and sub-sectional levels of the functional classification:

<b>Indicators</b>		<b>Amount (manats)</b>
10.1	General Public Services	748.264.354,0
10.1.1	expenditures related to the maintenance of legislative and executive powers and local self-government authorities	258.300.651,0
10.1.2	expenditures related to membership fees to international organizations	9.608.224,0
10.1.3	expenditures related to science	64.624.829,0
10.1.4	expenditures of general public services not relevant to other categories	24.743.817,0
10.1.5	expenditures related to servicing of public debts and liabilities	195.086.833,0
10.1.6	subsidies to local (municipal) budgets	3.500.000,0
10.1.7	Subsidies to the budget of the Autonomous Republic of Nakhchivan	192.400.000,0
10.2	Defence	1.019.770.607,0
10.2.1	Defence forces	939.631.161,0
10.2.2	national security	75.635.895,0
10.2.3	applied researches in the field of defence and security	2.686.870,0
10.2.4	expenditures not relevant to other categories	1.816.681,0
10.3	Judicial Authority, Law Enforcement and Prosecutive Jurisdiction	501.722.216,0
10.3.1	judicial authority	36.913.110,0
10.3.2	law-enforcement	427.045.790,0
10.3.3	prosecutive jurisdiction	37.245.019,0
10.3.4	expenditures not relevant to other categories	518.297,0
10.4	Education	973.837.900,0
10.4.1	preschool and primary education	71.536.355,0
10.4.2	incomplete and secondary school	575.898.377,0
10.4.3	boarding schools and special school	38.249.591,0
10.4.4	technical vocational schools and lyceums	50.696.870,0
10.4.5	higher education	97.428.944,0
10.4.6	applied researches in the field of education	3.641.355,0
10.4.7	other services in field of education	136.386.408,0

10.5	Public Health	331.993.525,0
10.5.1	polyclinics and outpatient departments	52.093.956,0
10.5.2	hospitals	184.611.188,0
10.5.3	other services in the field of public health	6.585.464,0
10.5.4	applied researches in the field of public health	2.562.835,0
10.5.5	other services relevant to the public health	86.140.082,0
10.6	Social Protection and Social Security	741.140.470,0
10.6.1	social protection expenditures	720.841.969,0
10.6.1.1	Allocations from the state budget to the State Social Protection Fund of the Republic of Azerbaijan	350.000.000,0
10.6.2	social security expenditures	20.298.501,0
10.7	Culture, Art, Information, Physical Training and activities in the fields not relevant to other categories	130.190.859,0
10.7.1	activities in the field of art and culture	68.848.872,0
10.7.2	radio, television and publication	37.078.899,0
10.7.3	physical training, youth policy and tourism	22.002.794,0
10.7.4	activities not relevant to other categories	2.260.294,0
10.8	housing and communal services	120.398.128,0
10.8.1	housing services	13.031.268,0
10.8.2	communal services	103.961.597,0
10.8.3	water industry	3.054.066,0
10.8.4	other services relevant to housing and communal services	351.197,0
10.9	Agriculture, Forestry, Fishery, Hunting and Environmental Protection	267.401.695,0
10.9.1	agriculture	251.150.049,0
10.9.2	forestry	7.969.556,0
10.9.3	fishery and hunting	1.682.581,0
10.9.4	environmental protection	1.841.566,0
10.9.5	hydrometeorological activities	4.757.943,0
10.10	Industry, Construction and Minerals	2.838.572.022,0
10.10.1	construction	2.833.851.724,0
10.10.1.1	state capital investment (investment expenditures)	2.822.000.000,0
10.10.2	minerals	4.720.298,0
10.11.	Transport and Communication	77.514.981,0
10.11.1	transport	77.398.288,0
10.11.2	communication	116.693,0
10.12.	Economic Activities	165.465.713,0
10.12.1	economic and commercial activities	37.500.000,0
10.12.2	other fields of economic activities	36.101.423,0

10.12.3	diversified development projects	91.864.290,0
10.13.	Services not relevant to the main sections	602.627.530,0
10.13.1	special-purpose funds	180.000.000,0
10.13.1.1	"Motor Roads" Purpose Budget Fund	130.000.000,0
10.13.1.2	"Security fund of loans borrowed under state guarantee"	50.000.000,0
10.13.2	reserve funds	254.600.000,0
10.13.2.1	Reserve Fund of the President of the Republic of Azerbaijan	154.000.000,0
10.13.2.2	Reserve Fund of the State Budget	100.600.000,0
10.13.3	Other expenditures not relevant to the main sections	168.027.530,0

### **Article 11.**

In the state budget of the Republic of Azerbaijan for 2008, 4 761.2 million manats of the expenditures are the current expenditure, 3 673,8 million manats of expenditures are capital expenditures, and 83.9 million manats of expenditures are the expenditures connected with the servicing of credits.

### **Article 12.**

The expenditures of the state budget of the Republic of Azerbaijan for 2008 shall be approved at the level of the paragraphs of functional and economic classification in the amounts stipulated in the appendix to the present Law.

### **Article 13.**

The revenues on the cities and regions of the Republic of Azerbaijan, including 254.025.726,0 manats of local revenues of the cities and regions, 46.500.000,0 manats of the "Motor Roads" Purpose Budget Fund, shall be approved in the amount of 5.000.000.000,0 manats, the local expenditures in the amount of 909.350.264,0 manats, and the funds allocated from the centralized expenditures for regulation of local revenues and expenditures in the amount of 655.324.538,0 manats.

The off-budget revenues of the organizations financed out of the local expenditures of the mentioned cities and regions shall be approved to be 3.973.618,0 manats and their expenditure to be 3.973.618,0 manats.

(manats)

No	Cities and regions	Revenues			Expenditure	Funds allocated from the centralized expenditures for regulation of local revenues and expenditure
		Total	including			
			Amount relevant to the local revenues of the cities and regions	amount relevant to the "MotorRoads" Purpose Budget Fund		
	<b>Cities:</b>					
1.	Baku	4 809 424 000	77 431 726	32 518 000	77 431 726	
2.	Ali-Bayramli	3 600 000	3 423 000	177 000	11 007 494	7 584 494
3.	Yevlakh	3 428 000	3 105 400	322 600	14 465 701	11 360 301
4.	Ganja	19 100 000	18 202 200	897 800	38 214 655	20 012 455
5.	Lankaran	8 650 000	8 177 300	472 700	22 092 890	13 915 590
6.	Mingachevir	3 742 000	3 482 300	259 700	17 198 576	13 716 276
7.	Naftalan	455 000	436 000	19 000	1 984 502	1 548 502
8.	Sumgayit	18 000 000	17 028 700	971 300	43 653 356	26 624 656
9.	Khankandi					
10.	Shaki	5 660 000	5 368 100	291 900	24 291 059	18 922 959
	<b>Regions:</b>					
11.	Absheron	11 400 000	6 475 000	4 925 000	13 669 523	7 194 523
12.	Aghdam	1 677 000	1 635 000	42 000	25 083 297	23 448 297
13.	Aghdash	2 230 000	2 115 000	115 000	11 722 020	9 607 020
14.	Aghstafa	2 980 000	2 852 800	127 200	10 942 704	8 089 904
15.	Aghsu	1 280 000	1 182 900	97 100	8 819 279	7 636 379
16.	Aghjabadi	1 880 000	1 758 700	121 300	14 844 498	13 085 798
17.	Astara	2 290 000	2 189 400	100 600	11 471 895	9 282 495
18.	Balakan	1 960 000	1 823 400	136 600	10 061 292	8 237 892
19.	Beylagan	1 650 000	1 566 100	83 900	10 860 047	9 293 947
20.	Barda	3 390 000	3 206 200	183 800	18 673 800	15 467 600
21.	Bilasuvur	2 000 000	1 916 300	83 700	9 648 662	7 732 362
22.	Gazakh	2 530 000	2 371 800	158 200	12 759 722	10 387 922
23.	Gakh	1 700 000	1 630 000	70 000	10 061 381	8 431 381
24.	Gabala	3 200 000	3 077 400	122 600	11 938 887	8 861 487
25.	Gobustan	896 000	860 100	35 900	4 978 146	4 118 046



26.	Guba	4 230 000	3 964 600	265 400	18 133 455	14 168 855
27.	Gubadli	760 000	675 100	84 900	6 929 062	6 253 962
28.	Gusar	2 450 000	2 309 100	140 900	12 024 981	9 715 881
29.	Dashkasan	1 670 000	1 613 500	56 500	7 826 110	6 212 610
30.	Davachi	1 960 000	1 913 900	46 100	7 312 899	5 398 999
31.	Zagatala	4 000 000	3 793 900	206 100	15 639 509	11 845 609
32.	Zangilan	345 000	319 200	25 800	5 571 376	5 252 176
33.	Zardab	1 290 000	1 238 900	51 100	7 680 992	6 442 092
34.	İmişli	2 616 000	2 522 300	93 700	12 144 570	9 622 270
35.	İsmayilli	2 506 000	2 378 100	127 900	12 036 789	9 658 689
36.	Yardimli	885 000	861 000	24 000	8 377 675	7 516 675
37.	Kalbajar	585 000	575 400	9 600	12 758 721	12 183 321
38.	Kurdamir	2 710 000	2 565 100	144 900	11 683 565	9 118 465
39.	Gadabay	1 850 000	1 768 200	81 800	16 058 369	14 290 169
40.	Goranboy	2 530 000	2 406 700	123 300	16 552 605	14 145 905
41.	Goychay	3 280 000	3 150 100	129 900	13 114 821	9 964 721
42.	Lachin	766 000	727 600	38 400	14 850 743	14 123 143
43.	Lerik	1 180 000	1 138 000	42 000	10 447 564	9 309 564
44.	Masalli	4 220 000	3 994 400	225 600	16 804 684	12 810 284
45.	Neftchala	2 090 000	2 008 100	81 900	10 136 676	8 128 576
46.	Oghuz	1 140 000	1 097 600	42 400	7 697 436	6 599 836
47.	Saatli	2 730 000	2 682 700	47 300	11 060 065	8 377 365
48.	Sabirabad	3 630 000	3 499 700	130 300	16 407 883	12 908 183
49.	Salyan	3 520 000	3 363 000	157 000	16 112 297	12 749 297
50.	Samukh	1 470 000	1 403 800	66 200	7 333 317	5 929 517
51.	Siyazan	1 850 000	1 809 600	40 400	4 782 516	2 972 916
52.	Tartar	1 370 000	1 316 300	53 700	9 249 668	7 933 368
53.	Tovuz	4 040 000	3 813 500	226 500	21 764 815	17 951 315
54.	Ujar	1 620 000	1 548 300	71 700	9 908 316	8 360 016
55.	Fuzuli	1 435 000	1 369 700	65 300	17 222 309	15 852 609
56.	Khanlar	2 280 000	2 166 300	113 700	9 117 430	6 951 130
57.	Khachmaz	4 850 000	4 485 600	364 400	18 292 625	13 807 025
58.	Khojavand	263 000	241 800	21 200	3 196 609	2 954 809
59.	Khojali	85 000	80 700	4 300	2 178 278	2 097 578
60.	Khizi	922 000	907 800	14 200	3 782 377	2 874 577
61.	Hajigabul	1 885 000	1 796 400	88 600	7 003 431	5 207 031
62.	Jabrayil	410 000	366 800	43 200	9 109 702	8 742 902
63.	Jalilabad	3 925 000	3 729 000	196 000	21 425 646	17 696 646
64.	Shamakhi	2 600 000	2 498 100	101 900	14 424 338	11 926 238
65.	Shamkir	4 330 000	4 018 200	311 800	22 791 068	18 772 868
66.	Shusha	600 000	592 800	7 200	4 529 860	3 937 060

<b>Total:</b>	<b>5 000 000</b>	<b>254 025 726</b>	<b>46 500 000</b>	<b>909 350 264</b>	<b>655 324 538</b>
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#### **Article 14.**

The subsidy to be issued from the state budget shall be approved in the amount of 6 000,0 thousand manats.

#### **Article 15.**

The amounts of the payments under the domestic and foreign public debts of the Republic of Azerbaijan in 2008 shall be approved as follows:

(manats)

15.1.	under the domestic public debt	21.001.925,0
15.1.1	repayment of interests	18.575.500,0
15.1.2	repayment of principals	2.426.425,0
15.2.	Under the foreign public debt	174.084.908,0
15.2.1	repayment of interests	93.640.380,0
15.2.2	repayment of principals	80.444.528,0

#### **Article 16.**

The upper limit of the domestic public debts of the Republic of Azerbaijan in 2008 shall be approved to be 500 000.0 thousand manats and the upper limit of the foreign public debts shall be approved to be 2 400 000.0 thousand manats.

#### **Article 17.**

Irrespective of the state of the budget revenues, salary, premium to salary, pension, other social allowances and payments, expenditures connected with the servicing of the domestic and foreign debts of the state are secured expenditure items.

#### **Article 18.**

The expenditure items of salary, addition to the salary, premium to salary, pension, other social allowances and payments, expenditures connected with the servicing of the domestic and foreign debts, expenditures for the purchase of medicaments and foodstuff shall be financed in the first turn, and the expenditures stipulated in other expenditure items shall be financed thereafter, depending on the receipt of revenues and taking into account the established limits of the deficit.

### **Article 19.**

The upper limit of the state budget deficit shall be approved in the amount of 1 126 400,0 thousand manats. It shall be financed out of the whole amount of the surplus of the single budget account as of 31 December 2007 (excluding the special-purpose financing), and the revenues from privatization and the sales of government bonds in domestic and foreign markets.

### **Article 20.**

The deficit of the consolidated budget of the Republic of Azerbaijan for 2008 shall be stipulated in the amount of 3 303 905,0 thousand manats, irrespective of the revenues of the State Oil Fund of the Republic of Azerbaijan.

### **Article 21.**

The upper limit of the expenditures of the consolidated budget of the Republic of Azerbaijan for 2008 shall be stipulated in the amount of 10 192 055,6 thousand manats.

### **Article 22.**

The present Law comes into force from 1 January 2008.

*Ilham Aliyev*  
*President of the Republic of Azerbaijan*

*Baku 30 November 2007*  
*№ 484-IIIQ*